



Department of the Treasury
Internal Revenue Service

Publication 15

(Rev. January 2006)

Cat. No. 10000W

(Circular E), Employer's Tax Guide

**(Including 2006 Wage
Withholding and Advance
Earned Income Credit
Payment Tables)**



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Contents

What's New	1
Calendar	2
Reminders	3
Introduction	6
1. Employer Identification Number (EIN)	7
2. Who Are Employees?	7
3. Family Employees	8
4. Employee's Social Security Number (SSN)	8
5. Wages and Other Compensation	9
6. Tips	12
7. Supplemental Wages	12
8. Payroll Period	13
9. Withholding From Employees' Wages	14
10. Advance Earned Income Credit (EIC) Payment	17
11. Depositing Taxes	19
12. Filing Form 941	23
13. Reporting Adjustments on Form 941	25
14. Federal Unemployment (FUTA) Tax	28
15. Special Rules for Various Types of Services and Payments	30
16. How To Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables	34
Tables:	
2006 Income Tax Withholding Tables:	
Percentage Method	36–37
Wage Bracket Method	38–57
2006 Advance EIC Payment Tables:	
Percentage Method	58–59
Wage Bracket Method	60–65
Index	66
Form 7018-A (order blank)	67
Quick and Easy Access to IRS Tax Help and Tax Products	68

What's New

941TeleFile discontinued. The second quarter 2005 Form 941 was the last quarterly return that could be filed using the 941TeleFile system. Former 941TeleFile users are encouraged to use other convenient IRS e-file options by accessing the IRS website at www.irs.gov and clicking on the *e-file* logo in the lower-left corner.

Annual employment tax filing for small employers. Soon, certain small employers may be qualified to file Form 944, Employer's Annual Federal Tax Return, rather than Form 941, Employer's Quarterly Federal Tax Return, to report their employment taxes. The IRS will publish more information about this form and who will qualify to file the form as it becomes available.

Credit card payment of tax. Beginning in 2006, employers can pay the balance due shown on Forms 940 and 941 by credit card. For more information, see the 2005 Instructions for Form 940 and the 2006 Instructions for Form 941.

New Forms in Spanish. Your Spanish-speaking employees may claim withholding allowances using Forma W-4(SP), Certificado de Exención de la Retención del(la) Empleado(a), in place of Form W-4, Employee's Withholding Allowance Certificate. Instructions, in Spanish, for completing Form W-4 or Forma W-4(SP) are available in Publication 579SP, *Cómo Preparar la Declaración de Impuesto Federal*. For nonemployees, new Forma W-9(SP), *Solicitud y Certificación del Número de Identificación del Contribuyente*, may be used in place of Form W-9, Request for Taxpayer Identification Number and Certification.

New IRS procedure for review of Forms W-4. Employers no longer have to routinely send copies of Forms W-4 claiming more than 10 allowances and certain "exempt" Forms W-4 to the IRS. However, Forms W-4 are still subject to review by the IRS. See *IRS review of Forms W-4* on page 15 for details.

New procedure for withholding income taxes on the wages of nonresident alien employees. For wages paid on or after January 1, 2006, employers are required to apply a new procedure in calculating the amount of federal income tax withholding on the wages of nonresident alien employees. For more information, see *New procedure for withholding income taxes on the wages of nonresident alien employees* on page 14.

Ordering employer tax products. This is the last year that you will receive an order blank (Form 7018-A, located at the end of this publication) for employer tax products and information returns. For faster service, order your 2005 and 2006 forms online at www.irs.gov/businesses and select "Online Ordering of Employer Forms."

Instead of ordering paper Forms W-2 and W-3, consider filing them electronically using the Social Security Administration's (SSA) free e-file service. Visit SSA's Employer Reporting Instructions and Information website at www.socialsecurity.gov/employer, select "Electronically File Your W-2s," and provide registration information. You will be able to create and file "fill-in" versions of Forms W-2 with SSA and can print out completed copies of Forms W-2 for filing with state and local governments, distribution to your employees, and for your records. Form W-3 will be created for you based on your Forms W-2.

Social security and Medicare tax for 2006. Do not withhold social security tax after an employee reaches \$94,200 in social security wages. (There is no limit on the amount of wages subject to Medicare tax.) Social security and Medicare taxes apply to the wages of household workers you pay \$1,500 or more in cash. Social security and Medicare taxes apply to election workers who are paid \$1,300 or more.

Calendar

The following is a list of important dates. Also see Publication 509, Tax Calendars for 2006.

Note. If any date shown below falls on a Saturday, Sunday, or federal holiday, use the next business day. A statewide legal holiday delays a filing due date only if the IRS office where you are required to file is located in that state. For any due date, you will meet the "file" or "furnish" requirement if the form is properly addressed and mailed First-Class or sent by an IRS-designated private delivery service on or before the due date. See *Private Delivery Services* on page 5 for more information on IRS-designated private delivery services.

By January 31

Furnish Forms 1099 and W-2. Furnish each employee a completed Form W-2, Wage and Tax Statement. Furnish each other payee a completed Form 1099 (for example, Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., and Form 1099-MISC, Miscellaneous Income).

File Form 940 or 940-EZ. File Form 940 or Form 940-EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return. However, if you deposited all of the FUTA tax when due, you have 10 additional days to file.

File Form 945. File Form 945, Annual Return of Withheld Federal Income Tax, to report any nonpayroll income tax withheld in 2005. See *Nonpayroll Income Tax Withholding* on page 4 for more information.

By February 15

Request a new Form W-4 from exempt employees. Ask for a new Form W-4, Employee's Withholding Allowance Certificate, from each employee who claimed exemption from income tax withholding last year.

On February 16

Exempt Forms W-4 expire. Any Form W-4 previously given to you claiming exemption from withholding has expired. Begin withholding for any employee who previously claimed exemption from withholding, but has not given you a new Form W-4 for the current year. If the employee does not give you a new Form W-4, withhold tax as if he or she is single, with zero withholding allowances. See section 9. However, if you have an earlier Form W-4 for this employee that is valid, withhold based on the earlier Form W-4.

By February 28

File Forms 1099 and 1096. File Copy A of all Forms 1099 with Form 1096, Annual Summary and Transmittal of U.S. Information Returns, with the IRS. For electronically filed returns, see *By March 31* below.

File Forms W-2 and W-3. File Copy A of all Forms W-2 with Form W-3, Transmittal of Wage and Tax Statements,

Employer Responsibilities: The following list provides a brief summary of your basic responsibilities. Because the individual circumstances for each employer can vary greatly, their responsibilities for withholding, depositing, and reporting employment taxes can differ. Each item in this list has a page reference to a more detailed discussion in this publication.

New Employees:		Quarterly (By April 30, July 31, October 31, and January 31):	
	Page		Page
<input type="checkbox"/> Verify work eligibility of employees	4	<input type="checkbox"/> Deposit FUTA tax in an authorized financial institution if undeposited amount is over \$500	29
<input type="checkbox"/> Record employees' names and SSNs from social security cards	8	<input type="checkbox"/> File Form 941 (pay tax with return if not required to deposit)	23
<input type="checkbox"/> Ask employees for 2006 Form W-4	14		
Each Payday:		Annually (See <i>Calendar</i> for due dates):	
<input type="checkbox"/> Withhold federal income tax based on each employee's Form W-4	14	<input type="checkbox"/> Remind employees to submit a new Form W-4 if they need to change their withholding	14
<input type="checkbox"/> Withhold employee's share of social security and Medicare taxes	16	<input type="checkbox"/> Ask for a new Form W-4 from employees claiming exemption from income tax withholding	14
<input type="checkbox"/> Include advance earned income credit payment in paycheck if employee requested it on Form W-5	17	<input type="checkbox"/> Reconcile Forms 941 with Forms W-2 and W-3	25
<input type="checkbox"/> Deposit:		<input type="checkbox"/> Furnish each employee a Form W-2	2
• Withheld income tax		<input type="checkbox"/> File Copy A of Forms W-2 and the transmittal Form W-3 with the SSA	2
• Withheld and employer social security taxes		<input type="checkbox"/> Furnish each other payee a Form 1099 (for example, Forms 1099-R and 1099-MISC)	2
• Withheld and employer Medicare taxes	19	<input type="checkbox"/> File Forms 1099 and the transmittal Form 1096	2
Note: Due date of deposit generally depends on your deposit schedule (monthly or semiweekly).		<input type="checkbox"/> File Form 940 or Form 940-EZ	29
		<input type="checkbox"/> File Form 945 for any nonpayroll income tax withholding	2

with the Social Security Administration (SSA). For electronically filed returns, see *By March 31* below.

File Form 8027. File Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, with the Internal Revenue Service. See section 6. For electronically filed returns, see *By March 31* below.

By March 31

File electronic (not magnetic media) Forms 1099, W-2, and 8027. File electronic (not magnetic media) Forms 1099 and 8027 with the IRS. File electronic (not magnetic media) Forms W-2 with the Social Security Administration. For information on reporting Form W-2 and Form W-2c information to the SSA electronically, visit the Social Security Administration's Employer Reporting Instructions and Information webpage at www.socialsecurity.gov/employer.

By April 30, July 31, October 31, and January 31

Deposit FUTA taxes. Deposit federal unemployment (FUTA) tax due if it is more than \$500.

File Form 941. File Form 941, Employer's Quarterly Federal Tax Return, and deposit any undeposited income, social security, and Medicare taxes. You may pay these taxes with Form 941 if your total tax liability for the quarter is less than \$2,500 and the taxes are paid in full with a

timely filed return. If you deposited all taxes when due, you have 10 additional days from the due dates above to file the return.

Before December 1

New Forms W-4. Remind employees to submit a new Form W-4 if their withholding allowances have changed or will change for the next year.

On December 31

Form W-5 expires. Form W-5, Earned Income Credit Advance Payment Certificate, expires. Eligible employees who want to receive advance payments of the earned income credit next year must give you a new Form W-5.

Reminders

Electronic Filing and Payment

Now, more than ever before, businesses can enjoy the benefits of filing and paying their federal taxes electronically. Whether you rely on a tax professional or handle your own taxes, IRS offers you convenient programs to make filing and payment easier.

Spend less time and worry on taxes and more time running your business. Use *e-file* and the Electronic Federal Tax Payment System (EFTPS) to your benefit.

- For *e-file*, visit www.irs.gov for additional information.
- For EFTPS, visit www.eftps.gov or call EFTPS Customer Service at 1-800-555-4477.
- For electronic filing of Forms W-2, visit www.socialsecurity.gov/employer.

Hiring New Employees

Eligibility for employment. You must verify that each new employee is legally eligible to work in the United States. This will include completing the U.S. Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification. You can get the form from USCIS offices or by calling 1-800-870-3676. Contact the USCIS at 1-800-375-5283, or visit the USCIS website at www.uscis.gov for further information.

New hire reporting. You are required to report any new employee to a designated state new hire registry. Many states accept a copy of Form W-4 with employer information added. Call the Office of Child Support Enforcement at 202-401-9267 or access its website at www.acf.hhs.gov/programs/cse/newhire for more information.

Income tax withholding. Ask each new employee to complete the 2006 Form W-4. See section 9.

Name and social security number. Record each new employee's name and number from his or her social security card. Any employee without a social security card should apply for one. See section 4.

Paying Wages, Pensions, or Annuities

Correcting Form 941. If you discover an error on a previously filed Form 941, make the correction for the quarter in which you discovered the error and attach Form 941c, Supporting Statement to Correct Information. For example, in March 2006, you discover that you underreported \$10,000 in social security and Medicare wages on your fourth quarter 2005 Form 941. Correct the error by showing \$1,530 ($15.3\% \times \$10,000$) on line 7e of your 2006 first quarter Form 941 and attaching a completed Form 941c. See *Prior Period Adjustments* in section 13 for more information.

Income tax withholding. Withhold federal income tax from each wage payment or supplemental unemployment compensation plan benefit payment according to the employee's Form W-4 and the correct withholding rate. If you have nonresident alien employees, see *Income Tax Withholding—New procedure for withholding taxes on the wages of nonresident alien employees* in section 9.

Withhold from periodic **pension and annuity payments** as if the recipient is married claiming three withholding allowances, unless he or she has provided Form W-4P, Withholding Certificate for Pension or Annuity Payments, either electing no withholding or giving a different number of allowances, marital status, or an additional amount to be withheld. Do not withhold on direct rollovers from qualified plans or governmental section 457(b) plans.

See section 9 and Publication 15-A, Employer's Supplemental Tax Guide. Publication 15-A includes information about withholding on pensions and annuities.

Zero wage return. If you have not filed a "final" Form 941, or are not a "seasonal" employer (see lines 16 and 17 on Form 941), you must continue to file a Form 941 even for quarters during which you paid no wages. IRS encourages you to file your "Zero Wage" Forms 941 electronically using IRS e-file at www.irs.gov. Click on the *e-file* logo located at the lower-left corner of the webpage.

Information Returns

You may be required to file information returns to report certain types of payments made during the year. For example, you must file Form 1099-MISC, Miscellaneous Income, to report payments of \$600 or more to persons not treated as employees (for example, independent contractors) for services performed for your trade or business. For details about filing Forms 1099 and for information about required electronic or magnetic media filing, see the 2006 General Instructions for Forms 1099, 1098, 5498, and W-2G for general information and the separate, specific instructions for each information return that you file (for example, 2006 Instructions for Forms 1099-MISC). Do not use Forms 1099 to report wages and other compensation that you paid to employees; report these on Form W-2. See the separate Instructions for Forms W-2 and W-3 for details about filing Form W-2 and for information about required magnetic diskette or electronic filing. If you file 250 or more Forms W-2 or 1099, you must file them on magnetic media or electronically. Beginning with tax year 2005 forms (due to SSA in calendar year 2006), SSA will no longer accept Forms W-2 and W-3 filed on tape or cartridge.

Information reporting customer service site. The IRS operates the Enterprise Computing Center-Martinsburg, a centralized customer service site, to answer questions about reporting on Forms W-2, W-3, 1099, and other information returns. If you have questions related to reporting on information returns, call 1-866-455-7438 (toll free) or 304-263-8700 (not toll free). The center can also be reached by email at mccirp@irs.gov. Call (304) 267-3367 if you are a TDD/TYY user.

Nonpayroll Income Tax Withholding

Nonpayroll federal income tax withholding must be reported on Form 945, Annual Return of Withheld Federal Income Tax. Form 945 is an annual tax return and the return for 2005 is due January 31, 2006. Separate deposits are required for payroll (Form 941) and nonpayroll (Form 945) withholding. Nonpayroll items include:

- Pensions (including distributions from governmental section 457(b) plans), annuities, and IRAs.
- Military retirement.
- Gambling winnings.
- Indian gaming profits.
- Voluntary withholding on certain government payments.
- Backup withholding.

For details on depositing and reporting nonpayroll income tax withholding, see the Instructions for Form 945.

All income tax withholding reported on Forms 1099 or W-2G must also be reported on Form 945. All income tax withholding reported on Form W-2 must be reported on Form 941, Form 943, or Schedule H (Form 1040).

Note. Because distributions to participants from some nonqualified pension plans and deferred compensation plans (including section 457(b) plans of tax-exempt organizations) are treated as wages and are reported on Form W-2, income tax withheld must be reported on Form 941, not on Form 945. However, distributions from such plans to a beneficiary or estate of a deceased employee are not wages and are reported on Forms 1099-R; income tax withheld must be reported on Form 945.

Backup withholding. You generally must withhold 28% of certain taxable payments if the payee fails to furnish you with his or her correct taxpayer identification number (TIN). This withholding is referred to as “backup withholding.”

Payments subject to backup withholding include interest, dividends, patronage dividends, rents, royalties, commissions, nonemployee compensation, and certain other payments that you make in the course of your trade or business. In addition, transactions by brokers and barter exchanges and certain payments made by fishing boat operators are subject to backup withholding.

Note. Backup withholding does not apply to wages, pensions, annuities, IRAs (including simplified employee pension (SEP) and SIMPLE retirement plans), section 404(k) distributions from an employee stock ownership plan (ESOP), medical savings accounts, health savings accounts, long-term-care benefits, or real estate transactions.

You can use Form W-9 or Form W-9(SP) to request that payees furnish a TIN and to certify that the number furnished is correct. You can also use Form W-9 or Form W-9(SP) to get certifications from payees that they are not subject to backup withholding or that they are exempt from backup withholding. The Instructions for the Requester of Form W-9 (also in Spanish) includes a list of types of payees who are exempt from backup withholding. For more information, see Publication 1281, Backup Withholding for Missing and Incorrect Name/TIN(s).

Recordkeeping

Keep all records of employment taxes for at least 4 years. These should be available for IRS review. Your records should include:

- Your employer identification number (EIN),
- Amounts and dates of all wage, annuity, and pension payments,
- Amounts of tips reported to you by your employees,
- Records of allocated tips,
- The fair market value of in-kind wages paid,
- Names, addresses, social security numbers, and occupations of employees and recipients,
- Any employee copies of Forms W-2 and W-2c that were returned to you as undeliverable,
- Dates of employment for each employee,

- Periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments you or third-party payers made to them,
- Copies of employees' and recipients' income tax withholding allowance certificates (Forms W-4, W-4P, W-4(SP), W-4S, and W-4V),
- Dates and amounts of tax deposits that you made and acknowledgment numbers for deposits made by EFTPS,
- Copies of returns filed, including 941TeleFile Tax Records (discontinued after June 2005) and confirmation numbers, and
- Records of fringe benefits and expense reimbursements provided to your employees, including substantiation.

Change of Address

To notify the IRS of a new business mailing address or business location, file Form 8822, Change of Address. For information on how to change your address for deposit coupons, see *Making deposits with FTD coupons* in section 11.

Private Delivery Services

You can use certain private delivery services designated by the IRS to mail tax returns and payments. The list includes only the following:

- DHL Express (DHL): DHL Same Day Service; DHL Next Day 10:30 am; DHL Next Day 12:00 pm; DHL Next Day 3:00 pm; and DHL 2nd Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

Your private delivery service can tell you how to get written proof of the mailing date.



Private delivery services cannot deliver items to P.O. boxes. You must use the U.S. Postal Service to mail any item to an IRS P.O. box address.

Telephone Help

Tax questions. You can call the IRS with your employment tax questions at 1-800-829-4933.

Help for people with disabilities. Telephone help is available using TTY/TDD equipment. You may call 1-800-829-4059 with any tax question or to order forms and publications. You may also use this number for assistance with unresolved tax problems.

Recorded tax information (TeleTax). The IRS TeleTax service provides recorded tax information on topics that

answer many individual and business federal tax questions. You can listen to up to three topics on each call that you make. Touch-Tone service is available 24 hours a day, 7 days a week. TeleTax topics are also available using a personal computer. Connect to www.irs.gov/taxtopics.

A list of employment tax topics is provided below. Select, by number, the topic you want to hear and call 1-800-829-4477. For the directory of all topics, select Topic 123.

TeleTax Topics

Topic No.	Subject
752	Form W-2—Where, When, and How to File
753	Form W-4—Employee's Withholding Allowance Certificate
754	Form W-5—Advance Earned Income Credit
755	Employer Identification Number (EIN)—How to Apply
756	Employment Taxes for Household Employees
757	Form 941—Deposit Requirements
758	Form 941—Employer's Quarterly Federal Tax Return
759	Form 940 and 940-EZ—Deposit Requirements
760	Form 940 and 940-EZ—Employer's Annual Federal Unemployment Tax Returns
761	Tips—Withholding and Reporting
762	Independent Contractor vs. Employee

Additional employment tax information. Visit the IRS website at www.irs.gov and type "Employment Tax" in the search box for a list of employment tax topics.

Contacting Your Taxpayer Advocate

If you have attempted to deal with an IRS problem unsuccessfully, you should contact your Taxpayer Advocate. The Taxpayer Advocate independently represents your interests and concerns within the IRS by protecting your rights and resolving problems that have not been fixed through normal channels. While Taxpayer Advocates cannot change the tax law or make a technical tax decision, they can clear up problems that resulted from previous contacts and ensure that your case is given a complete and impartial review. To contact your Taxpayer Advocate:

- Call the Taxpayer Advocate toll free at 1-877-777-4778.
- Call, write, or fax the Taxpayer Advocate office in your area. Get Publication 1546 (see below) for contact information.
- Call 1-800-829-4059 if you are a TTY/TDD user.
- Visit www.irs.gov/advocate.

For more information, see Publication 1546, How To Get Help With Unresolved Tax Problems (now available in Chinese, Korean, Russian, and Vietnamese, in addition to English and Spanish).

Filing Addresses

Generally, your filing address for Forms 940, 940-EZ, 941, 943, and 945 depends on the location of your residence or principal place of business and whether or not you included a payment with your return. There are separate filing addresses for these returns if you are an exempt organization or government entity. If you are located in the United States and do not include a payment with your return, you should file at either the Cincinnati or Ogden Service Centers. File Form CT-1 (for railroad retirement taxes) at the Cincinnati Service Center. See the separate instructions for Form 940, 940-EZ, 941, 943, 945, or CT-1 for details on where to file.

Photographs of missing children

The Internal Revenue Service is a proud partner with the National Center for Missing and Exploited Children. Photographs of missing children selected by the Center may appear in this booklet on pages that would otherwise be blank. You can help bring these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

Introduction

This publication explains your tax responsibilities as an employer. It explains the requirements for withholding, depositing, reporting, and paying employment taxes. It explains the forms that you must give to your employees, those that your employees must give to you, and those that you must send to the IRS and SSA. This guide also has tax tables that you need to figure the taxes to withhold from each employee for 2006. References to "income tax" in this guide apply only to "federal" income tax. Contact your state or local tax department to determine if their rules are different.

Additional employment tax information is available in Publication 15-A, Employer's Supplemental Tax Guide. Publication 15-A includes specialized information supplementing the basic employment tax information provided in this publication. Publication 15-B, Employer's Tax Guide to Fringe Benefits, contains information about the employment tax treatment and valuation of various types of non-cash compensation.

Most employers must withhold (except FUTA), deposit, report, and pay the following employment taxes.

- Income tax.
- Social security and Medicare taxes.
- Federal unemployment tax (FUTA).

There are exceptions to these requirements. See section 15, *Special Rules for Various Types of Services and Payments*. Railroad retirement taxes are explained in the Instructions for Form CT-1.

Federal Government employers. The information in this guide applies to federal agencies except for the rules requiring deposit of federal taxes only at Federal Reserve banks or through the FedTax option of the Government On-Line Accounting Link Systems (GOALS). See the Treasury Financial Manual (I TFM 3-4000) for more information.

State and local government employers. Payments to employees for services in the employ of state and local government employers are generally subject to federal income tax withholding but not federal unemployment (FUTA) tax. Most elected and appointed public officials of state or local governments are employees under common law rules. See chapter 3 of Publication 963, Federal-State Reference Guide. In addition, wages, with certain exceptions, are subject to social security and Medicare taxes. See section 15 of this guide for more information on the exceptions.

If an election worker is employed in another capacity with the same government entity, see Revenue Ruling 2000-6 on page 512 of Internal Revenue Bulletin 2000-6 at www.irs.gov/pub/irs-irbs/irb00-06.pdf.

You can get information on reporting and social security coverage from your local IRS office. If you have any questions about coverage under a section 218 (Social Security Act) agreement, contact the appropriate state official. To find your State Social Security Administrator, contact the National Conference of State Social Security Administrators website at www.ncsssa.org.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions. You can email us at [*taxforms@irs.gov](mailto:taxforms@irs.gov). Please put "Publications Comment" on the subject line.

You can write to us at the following address:

Internal Revenue Service
Tax Products Coordinating Committee
SE:W:CAR:MP:T:T:SP
1111 Constitution Ave. NW, IR-6406
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

1. Employer Identification Number (EIN)

If you are required to report employment taxes or give tax statements to employees or annuitants, you need an employer identification number (EIN).

The EIN is a 9-digit number that the IRS issues. The digits are arranged as follows: 00-0000000. It is used to identify the tax accounts of employers and certain others who have no employees. Use your EIN on all of the items that you send to the IRS and SSA. For more information, get Publication 1635, Understanding Your EIN.

If you do not have an EIN, request one on Form SS-4, Application for Employer Identification Number. Form SS-4 has information on how to apply for an EIN by mail, fax, or by telephone. You may also apply for an EIN online by visiting the IRS website at www.irs.gov/smallbiz. Do not use a social security number (SSN) in place of an EIN.

You should have only one EIN. If you have more than one and are not sure which one to use, call the Business and Specialty Tax Line at 1-800-829-4933 (TTY/TDD users can call 1-800-829-4059). Give the numbers that you have, the name and address to which each was assigned, and the address of your main place of business. The IRS will tell you which number to use.

If you took over another employer's business (see *Successor employer* in section 9), do not use that employer's

EIN. If you do not have your own EIN by the time a return is due, write "Applied For" and the date that you applied for it in the space shown for the number.

See *Depositing without an EIN* in section 11 if you must make a tax deposit and you do not have an EIN.

2. Who Are Employees?

Generally, employees are defined either under common law or under statutes for certain situations.

Employee status under common law. Generally, a worker who performs services for you is your employee if you have the right to control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. See Publication 15-A, Employer's Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an independent contractor or an employee.

Generally, people in business for themselves are not employees. For example, doctors, lawyers, veterinarians, construction contractors, and others in an independent trade in which they offer their services to the public are usually not employees. However, if the business is incorporated, corporate officers who work in the business are employees.

If an employer-employee relationship exists, it does not matter what it is called. The employee may be called an agent or independent contractor. It also does not matter how payments are measured or paid, what they are called, or if the employee works full or part time.

Statutory employees. If someone who works for you is not an employee under the common law rules discussed above, do not withhold federal income tax from his or her pay. Although the following persons may not be common law employees, they may be considered employees by statute for social security, Medicare, and FUTA tax purposes under certain conditions.

- An agent (or commission) driver who delivers food, beverages (other than milk), laundry, or dry cleaning for someone else.
- A full-time life insurance salesperson who sells primarily for one company.
- A homemaker who works by guidelines of the person for whom the work is done, with materials furnished by and returned to that person or to someone that person designates.
- A traveling or city salesperson (other than an agent-driver or commission-driver) who works full time (except for sideline sales activities) for one firm or person getting orders from customers. The orders must be for items for resale or use as supplies in the customer's business. The customers must be retailers, wholesalers, contractors, or operators of hotels, restaurants, or other businesses dealing with food or lodging.

See Publication 15-A for details on statutory employees.

Statutory nonemployees. Direct sellers, qualified real estate agents, and certain companion sitters are, by law, considered nonemployees. They are treated as self-em-

ployed for all federal tax purposes, including income and employment taxes. See Publication 15-A for details.

Treating employees as nonemployees. You will generally be liable for social security and Medicare taxes and withheld income tax if you do not deduct and withhold these taxes because you treated an employee as a non-employee. See Internal Revenue Code section 3509 for details. Also see *Prior Period Adjustments—Special additions to tax liability* in section 13.

Relief provisions. If you have a reasonable basis for not treating a worker as an employee, you may be relieved from having to pay employment taxes for that worker. To get this relief, you must file all required federal tax returns, including information returns on a basis consistent with your treatment of the worker. You (or your predecessor) must not have treated any worker holding a substantially similar position as an employee for any periods beginning after 1977.

IRS help. If you want the IRS to determine whether a worker is an employee, file Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

3. Family Employees

Child employed by parents. Payments for the services of a child under age 18 who works for his or her parent in a trade or business are not subject to social security and Medicare taxes if the trade or business is a sole proprietorship or a partnership in which each partner is a parent of the child. If these services are for work other than in a trade or business, such as domestic work in the parent's private home, they are not subject to social security and Medicare taxes until the child reaches age 21. However, see *Covered services of a child or spouse* later. Payments for the services of a child under age 21 who works for his or her parent, whether or not in a trade or business, are not subject to federal unemployment (FUTA) tax. Although not subject to FUTA tax, the wages of a child may be subject to income tax withholding.

One spouse employed by another. The wages for the services of an individual who works for his or her spouse in a trade or business are subject to income tax withholding and social security and Medicare taxes, but not to FUTA tax. However, the services of one spouse employed by another in other than a trade or business, such as domestic service in a private home, are not subject to social security, Medicare, and FUTA taxes.

Covered services of a child or spouse. The wages for the services of a child or spouse are subject to income tax withholding as well as social security, Medicare, and FUTA taxes if he or she works for:

- A corporation, even if it is controlled by the child's parent or the individual's spouse,
- A partnership, even if the child's parent is a partner, unless each partner is a parent of the child,
- A partnership, even if the individual's spouse is a partner, or
- An estate, even if it is the estate of a deceased parent.

Parent employed by child. The wages for the services of a parent employed by his or her child in a trade or business are subject to income tax withholding and social security and Medicare taxes. Social security and Medicare taxes do not apply to wages paid to a parent for services not in a trade or business, but they do apply to domestic services if:

- The parent cares for a child who lives with a son or daughter and who is under age 18 or requires adult supervision for at least 4 continuous weeks in a calendar quarter due to a mental or physical condition and
- The son or daughter is a widow or widower, divorced, or married to a person who, because of a physical or mental condition, cannot care for the child during such period.

Wages paid to a parent employed by his or her child are not subject to FUTA tax, regardless of the type of services provided.

4. Employee's Social Security Number (SSN)

You are required to get each employee's name and SSN and to enter them on Form W-2. This requirement also applies to resident and nonresident alien employees. You should ask your employee to show you his or her social security card. The employee may show the card if it is available. You may, but are not required to, photocopy the social security card if the employee provides it. If you do not provide the correct employee name and SSN on Form W-2, you may owe a penalty unless you have reasonable cause. See Publication 1586, Reasonable Cause Regulations and Requirements for Missing and Incorrect Name/TINs.

Any employee who is legally eligible to work in the United States and does not have a social security card can get one by completing Form SS-5, Application for a Social Security Card, and submitting the necessary documentation. You can get this form at SSA offices, by calling 1-800-772-1213, or from the SSA website at www.socialsecurity.gov/online/ss-5.html. The employee must complete and sign Form SS-5; it cannot be filed by the employer. If you file Form W-2 on paper and your employee applied for an SSN but does not have one when you must file Form W-2, enter "Applied For" on the form. If you are filing on diskette or electronically, enter all zeros (000-00-000) in the social security number field. When the employee receives the SSN, file Copy A of Form W-2c, Corrected Wage and Tax Statement, with the SSA to show the employee's SSN. Furnish copies B, C, and 2 of Form W-2c to the employee. Up to five Forms W-2c per Form W-3c (50 Forms W-3c maximum) may now be filed over the Internet. For more information, visit the Social Security Administration's Employer Reporting Instructions and Information webpage at www.socialsecurity.gov/employer. Advise your employee to correct the SSN on his or her original Form W-2.

Note. Record the name and number of each employee as they are shown on the employee's social security card. If the employee's name is not correct as shown on the card (for example, because of marriage or divorce), the em-

employee should request a corrected card from the SSA. Continue to report the employee's wages under the old name until the employee shows you an updated social security card with the new name.

If Social Security issues the employee a replacement card after a name change, or a new card with a different social security number after a change in alien work status, file a Form W-2c to correct the name/SSN reported for the most recently filed Form W-2. It is not necessary to correct other years if the previous name and number were used for years before the most recent Form W-2.

IRS individual taxpayer identification numbers (ITINs) for aliens. Do not accept an ITIN in place of an SSN for employee identification or for work. An ITIN is only available to resident and nonresident aliens who are not eligible for U.S. employment and need identification for other tax purposes. You can identify an ITIN because it is a 9-digit number, beginning with the number "9" with either a "7" or "8" as the fourth digit and is formatted like an SSN (for example, 9NN-7N-NNNN).



An individual with an ITIN who later becomes eligible to work in the United States must obtain an SSN.

Verification of social security numbers. The SSA offers employers and authorized reporting agents four methods for verifying employee SSNs.

- **Internet.** Verify up to 10 names and numbers (per screen) online and receive immediate results, or upload batch files of up to 250,000 names and numbers and usually receive results the next government business day. Visit www.socialsecurity.gov/employer and select the link titled "Social Security Number Verification."
- **Telephone.** Verify up to five names and numbers by calling 1-800-772-6270 or 1-800-772-1213.
- **Paper.** Verify up to 300 names and numbers by submitting a paper request to the Wilkes-Barre Data Operations Center.
- **Magnetic media.** Verify between 51 and 250,000 names and numbers by submitting magnetic tape or diskette to SSA.

Some verification methods require registration. For more information, call 1-800-772-6270.

5. Wages and Other Compensation

Wages subject to federal employment taxes generally include all pay that you give to an employee for services performed. The pay may be in cash or in other forms. It includes salaries, nonqualified deferred compensation recognized under section 409A, vacation allowances, bonuses, commissions, and fringe benefits. It does not matter how you measure or make the payments. Amounts an employer pays as a bonus for signing or ratifying a contract in connection with the establishment of an employer-employee relationship and an amount paid to an employee for cancellation of an employment contract and relinquishment of contract rights are wages subject to social security,

Medicare, and federal unemployment taxes and income tax withholding. Also, compensation paid to a former employee for services performed while still employed is wages subject to employment taxes. See section 6 for a discussion of tips and section 7 for a discussion of supplemental wages. Also, see section 15 for exceptions to the general rules for wages. Publication 15-A, Employer's Supplemental Tax Guide, provides additional information on wages and other compensation. Publication 15-B, Employer's Tax Guide to Fringe Benefits, provides information on other forms of compensation, including:

- Accident and health benefits,
- Achievement awards,
- Adoption assistance,
- Athletic facilities,
- De minimis (minimal) benefits,
- Dependent care assistance,
- Educational assistance,
- Employee discounts,
- Employee stock options,
- Group-term life insurance coverage,
- Lodging on your business premises,
- Meals,
- Moving expense reimbursements,
- No-additional-cost services,
- Retirement planning services,
- Transportation (commuting) benefits,
- Tuition reduction, and
- Working condition benefits.

Employee business expense reimbursements. A reimbursement or allowance arrangement is a system by which you pay the advances, reimbursements, and charges for your employees' substantiated business expenses. How you report a reimbursement or allowance amount depends on whether you have an accountable or a nonaccountable plan. If a single payment includes both wages and an expense reimbursement, you must specify the amount of the reimbursement.

These rules apply to all ordinary and necessary employee business expenses that would otherwise qualify for a deduction by the employee.

Accountable plan. To be an accountable plan, your reimbursement or allowance arrangement must require your employees to meet all three of the following rules.

1. They must have paid or incurred deductible expenses while performing services as your employees.
2. They must adequately account to you for these expenses within a reasonable period of time.
3. They must return any amounts in excess of expenses within a reasonable period of time.

Amounts paid under an accountable plan are not wages and are not subject to income tax withholding and payment

of social security, Medicare, and federal unemployment (FUTA) taxes.

If the expenses covered by this arrangement are not substantiated (or amounts in excess of expenses are not returned within a reasonable period of time), the amount paid under the arrangement in excess of the substantiated expenses is treated as paid under a nonaccountable plan. This amount is subject to income tax withholding and payment of social security, Medicare, and FUTA taxes for the first payroll period following the end of the reasonable period.

A reasonable period of time depends on the facts and circumstances. Generally, it is considered reasonable if your employees receive their advance within 30 days of the time that they incur the expenses, adequately account for the expenses within 60 days after the expenses were paid or incurred, and return any amounts in excess of expenses within 120 days after the expenses were paid or incurred. Also, it is considered reasonable if you give your employees a periodic statement (at least quarterly) that asks them to either return or adequately account for outstanding amounts and they do so within 120 days.

Nonaccountable plan. Payments to your employee for travel and other necessary expenses of your business under a nonaccountable plan are wages and are treated as supplemental wages and subject to income tax withholding and payment of social security, Medicare, and FUTA taxes. Your payments are treated as paid under a nonaccountable plan if:

- Your employee is not required to or does not substantiate timely those expenses to you with receipts or other documentation,
- You advance an amount to your employee for business expenses and your employee is not required to or does not return timely any amount he or she does not use for business expenses, or
- You advance or pay an amount to your employee without regard for anticipated or incurred business expenses.

See section 7 for more information on supplemental wages.

Per diem or other fixed allowance. You may reimburse your employees by travel days, miles, or some other fixed allowance. In these cases, your employee is considered to have accounted to you if your reimbursement does not exceed rates established by the Federal Government. The 2005 standard mileage rate for auto expenses was 40.5 cents per mile through August 31, 2005, and 48.5 cents per mile from September 1, 2005, through December 31, 2005. The rate for 2006 is 44.5 cents per mile. The government per diem rates for meals and lodging in the continental United States are listed in Publication 1542, Per Diem Rates. Other than the amount of these expenses, your employees' business expenses must be substantiated (for example, the business purpose of the travel or the number of business miles driven).

If the per diem or allowance paid exceeds the amounts specified, you must report the excess amount as wages. This excess amount is subject to income tax withholding and payment of social security, Medicare, and FUTA taxes. Show the amount equal to the specified amount (for example, the nontaxable portion) in box 12 of Form W-2 using code L.

Wages not paid in money. If in the course of your trade or business you pay your employees in a medium that is neither cash nor a readily negotiable instrument, such as a check, you are said to pay them "in kind." Payments in kind may be in the form of goods, lodging, food, clothing, or services. Generally, the fair market value of such payments at the time that they are provided is subject to federal income tax withholding and social security, Medicare, and FUTA taxes.

However, noncash payments for household work, agricultural labor, and service not in the employer's trade or business are exempt from social security, Medicare, and FUTA taxes. Withhold income tax on these payments only if you and the employee agree to do so. Nonetheless, noncash payments for agricultural labor, such as commodity wages, are treated as cash payments subject to employment taxes if the substance of the transaction is a cash payment.

Moving expenses. Reimbursed and employer-paid qualified moving expenses (those that would otherwise be deductible by the employee) paid under an accountable plan are not includible in an employee's income unless you have knowledge that the employee deducted the expenses in a prior year. Reimbursed and employer-paid nonqualified moving expenses are includible in income and are subject to employment taxes and income tax withholding. For more information on moving expenses, see Publication 521, Moving Expenses.

Meals and lodging. The value of meals is not taxable income and is not subject to income tax withholding and social security, Medicare, and FUTA taxes if the meals are furnished for the employer's convenience and on the employer's premises. The value of lodging is not subject to income tax withholding and social security, Medicare, and FUTA taxes if the lodging is furnished for the employer's convenience, on the employer's premises, and as a condition of employment.

"For the convenience of the employer" means that you have a substantial business reason for providing the meals and lodging other than to provide additional compensation to the employee. For example, meals that you provide at the place of work so that an employee is available for emergencies during his or her lunch period are generally considered to be for your convenience.

However, whether meals or lodging are provided for the convenience of the employer depends on all of the facts and circumstances. A written statement that the meals or lodging are for your convenience is not sufficient.

50% test. If over 50% of the employees who are provided meals on an employer's business premises receive these meals for the convenience of the employer, all meals provided on the premises are treated as furnished for the convenience of the employer. If this 50% test is met, the value of the meals is excludable from income for all employees and is not subject to federal income tax withholding or employment taxes.

For more information, see Publication 15-B, Employer's Tax Guide to Fringe Benefits.

Health insurance plans. If you pay the cost of an accident or health insurance plan for your employees, that may include an employee's spouse and dependents, your payments are not wages and are not subject to social security, Medicare, and FUTA taxes, or federal income tax withholding. Generally, this exclusion also applies to qualified

long-term care insurance contracts. However, the cost of health insurance benefits must be included in the wages of S corporation employees who own more than 2% of the S corporation (2% shareholders).

Health Savings Accounts and medical savings accounts. Your contributions to an employee's Health Savings Account (HSA) or medical savings account (Archer MSA) are not subject to social security, Medicare, or FUTA taxes, or federal income tax withholding if it is reasonable to believe at the time of payment of the contributions that they will be excludable from the income of the employee. To the extent that it is not reasonable to believe that they will be excludable, your contributions are subject to these taxes. Employee contributions to their HSAs or MSAs through a payroll deduction plan must be included in wages and are subject to social security, Medicare, and FUTA taxes, and income tax withholding. However, contributions made under a salary reduction arrangement in a section 125 cafeteria plan are not wages and are not subject to employment taxes or withholding. For more information, see the Instructions for Form 8889.

Medical care reimbursements. Generally, medical care reimbursements paid for an employee under an employer's self-insured medical reimbursement plan are not wages and are not subject to social security, Medicare, and FUTA taxes, or income tax withholding. See Publication 15-B for an exception for highly compensated employees.

Fringe benefits. You generally must include fringe benefits in an employee's gross income (but see *Nontaxable fringe benefits* next). The benefits are subject to income tax withholding and employment taxes. Fringe benefits include cars that you provide, flights on aircraft that you provide, free or discounted commercial flights, vacations, discounts on property or services, memberships in country clubs or other social clubs, and tickets to entertainment or sporting events. In general, the amount that you must include is the amount by which the fair market value of the benefits is more than the sum of what the employee paid for it plus any amount that the law excludes. There are other special rules that you and your employees may use to value certain fringe benefits. See Publication 15-B for more information.

Nontaxable fringe benefits. Some fringe benefits are not taxable (or are minimally taxable) if certain conditions are met. See Publication 15-B for details. Examples include:

1. Services provided to your employees at no additional cost to you,
2. Qualified employee discounts,
3. Working condition fringes that are property or services that the employee could deduct as a business expense if he or she had paid for it. Examples include a company car for business use and subscriptions to business magazines,
4. Minimal value fringes (including an occasional cab ride when an employee must work overtime, local transportation benefits provided because of unsafe conditions and unusual circumstances, and meals that you provide at eating places that you run for your employees if the meals are not furnished at below cost),

5. Qualified transportation fringes subject to specified conditions and dollar limitations (including transportation in a commuter highway vehicle, any transit pass, and qualified parking),
6. Qualified moving expense reimbursement. See *Moving expenses*, above for details,
7. The use of on-premises athletic facilities, if substantially all of the use is by employees, their spouses, and their dependent children, and
8. Qualified tuition reduction that an educational organization provides to its employees for education. For more information, see Publication 970, Tax Benefits for Education.

However, do not exclude the following fringe benefits from the income of highly compensated employees unless the benefit is available to other employees on a nondiscriminatory basis.

- No-additional-cost services (item 1 above).
- Qualified employee discounts (item 2 above).
- Meals provided at an employer operated eating facility (included in item 4 above).
- Reduced tuition for education (item 8 above).

For more information, including the definition of a highly compensated employee, see Publication 15-B.

When fringe benefits are treated as paid. You may choose to treat certain noncash fringe benefits as paid by the pay period, by the quarter, or on any other basis that you choose as long as you treat the benefits as paid at least once a year. You do not have to make a formal choice of payment dates or notify the IRS of the dates that you choose. You do not have to make this choice for all employees. You may change methods as often as you like, as long as you treat all benefits provided in a calendar year as paid by December 31 of the calendar year. See Publication 15-B for more information, including a discussion of the special accounting rule for fringe benefits provided during November and December.

Valuation of fringe benefits. Generally, you must determine the value of fringe benefits no later than January 31 of the next year. Before January 31, you may reasonably estimate the value of the fringe benefits for purposes of withholding and depositing on time.

Withholding on fringe benefits. You may add the value of fringe benefits to regular wages for a payroll period and figure withholding taxes on the total, or you may withhold federal income tax on the value of the fringe benefits at the flat 25% supplemental wage rate. However, see *Withholding on supplemental wages when an employee receives more than \$1,000,000 of supplemental wages during the calendar year* in section 7.

You may choose not to withhold income tax on the value of an employee's personal use of a vehicle that you provide. You must, however, withhold social security and Medicare taxes on the use of the vehicle. See Publication 15-B for more information on this election.

Depositing taxes on fringe benefits. Once you choose payment dates for fringe benefits (discussed above), you must deposit taxes in the same deposit period that you treat the fringe benefits as paid. To avoid a

penalty, deposit the taxes following the general deposit rules for that deposit period.

If you determine by January 31 that you overestimated the value of a fringe benefit at the time you withheld and deposited for it, you may claim a refund for the overpayment or have it applied to your next employment tax return. See *Valuation of fringe benefits* above. If you underestimated the value and deposited too little, you may be subject to a failure-to-deposit penalty. See section 11 for information on deposit penalties.

If you deposited the required amount of taxes but withheld a lesser amount from the employee, you can recover from the employee the social security, Medicare, or income taxes that you deposited on his or her behalf, and included in the employee's Form W-2. However, you must recover the income taxes before April 1 of the following year.

Sick pay. In general, sick pay is any amount that you pay under a plan to an employee who is unable to work because of sickness or injury. These amounts are sometimes paid by a third party, such as an insurance company or an employees' trust. In either case, these payments are subject to social security, Medicare, and FUTA taxes. Sick pay becomes exempt from these taxes after the end of 6 calendar months after the calendar month that the employee last worked for the employer. The payments are always subject to federal income tax. See Publication 15-A for more information.

6. Tips

Tips that your employee receives from customers are generally subject to withholding. Your employee must report cash tips to you by the 10th of the month after the month that the tips are received. The report should include tips that you paid over to the employee for charge customers and tips that the employee received directly from customers. No report is required for months when tips are less than \$20. Your employee reports the tips on Form 4070, Employee's Report of Tips to Employer, or on a similar statement. The statement must be signed by the employee and must show the following:

- The employee's name, address, and SSN.
- Your name and address.
- The month or period that the report covers.
- The total of tips received during the month or period.

Both Forms 4070 and 4070-A, Employee's Daily Record of Tips, are included in Publication 1244, Employee's Daily Record of Tips and Report to Employer.

You must collect income tax, employee social security tax, and employee Medicare tax on the employee's tips. You can collect these taxes from the employee's wages or from other funds that he or she makes available. See *Tips treated as supplemental wages* in section 7 for further information. Stop collecting the employee social security tax when his or her wages and tips for tax year 2006 reach \$94,200; collect the income and employee Medicare taxes for the whole year on all wages and tips. You are responsible for the employer social security tax on wages and tips until the wages (including tips) reach the limit. You are responsible for the employer Medicare tax for the whole year on all wages and tips. File Form 941 to report withholding and employment taxes on tips.

If, by the 10th of the month after the month for which you received an employee's report on tips, you do not have enough employee funds available to deduct the employee tax, you no longer have to collect it. If there are not enough funds available, withhold taxes in the following order.

1. Withhold on regular wages and other compensation.
2. Withhold social security and Medicare taxes on tips.
3. Withhold income tax on tips.

Show these tips and any uncollected social security and Medicare taxes on Form W-2 and on lines 5b and 5c of Form 941. Report an adjustment on line 7c of Form 941 for the uncollected social security and Medicare taxes. Enter the amount of uncollected social security and Medicare taxes in box 12 of Form W-2 with codes A and B. See section 13 and the Instructions for Forms W-2 and W-3.

If an employee reports to you in writing \$20 or more of tips in a month, the tips are also subject to FUTA tax.

Note. You are permitted to establish a system for electronic tip reporting by employees. See Regulations section 31.6053-1(d).

Allocated tips. If you operate a large food or beverage establishment, you must report allocated tips under certain circumstances. However, do not withhold income, social security, or Medicare taxes on allocated tips.

A large food or beverage establishment is one that provides food or beverages for consumption on the premises, where tipping is customary, and where there were normally more than 10 employees on a typical business day during the preceding year.

The tips may be allocated by one of three methods—hours worked, gross receipts, or good faith agreement. For information about these allocation methods, including the requirement to file Forms 8027 on magnetic media or electronically if 250 or more forms are filed, see the separate Instructions for Form 8027.

Tip Rate Determination and Education Program. Employers may participate in the Tip Rate Determination and Education Program. The program consists of two voluntary agreements developed to improve tip income reporting by helping taxpayers to understand and meet their tip reporting responsibilities. The two agreements are the Tip Rate Determination Agreement (TRDA) and the Tip Reporting Alternative Commitment (TRAC). To find out more about this program, or to identify the IRS Tip Coordinator for your state, call the IRS at 1-800-829-4933. To get more information about TRDA or TRAC agreements, access the IRS website at www.irs.gov and search for Market Segment Understanding (MSU) agreements.

7. Supplemental Wages

Supplemental wages are compensation paid in addition to an employee's regular wages. They include, but are not limited to, bonuses, commissions, overtime pay, payments for accumulated sick leave, severance pay, awards, prizes, back pay and retroactive pay increases for current employees, and payments for nondeductible moving expenses. Other payments subject to the supplemental wage rules include taxable fringe benefits and expense allowances paid under a nonaccountable plan. How you withhold on supplemental wages depends on whether the

supplemental payment is identified as a separate payment from regular wages.

Withholding on supplemental wages when an employee receives more than \$1,000,000 of supplemental wages from you during the calendar year. Special rules apply to the extent that supplemental wages paid to any one employee during the calendar year exceed \$1,000,000. If a supplemental wage payment, together with other supplemental wage payments made to the employee during the calendar year, exceeds \$1,000,000, the excess is subject to withholding at 35 percent (or the highest rate of income tax for the year). Withhold using the 35% rate without regard to the employee's Form W-4. In determining supplemental wages paid to the employee during the year, include payments from all businesses under common control. This provision applies to payments made after December 31, 2004. The Internal Revenue Service expects to provide final regulations about this provision in the near future.

Withholding on supplemental wage payments to an employee who does not receive \$1,000,000 of supplemental wages during the calendar year. If the supplemental wages paid to the employee during the calendar year are less than or equal to \$1,000,000, the following rules apply in determining the amount of income tax to be withheld.

Supplemental wages combined with regular wages. If you pay supplemental wages with regular wages but do not specify the amount of each, withhold federal income tax as if the total were a single payment for a regular payroll period.

Supplemental wages identified separately from regular wages. If you pay supplemental wages separately (or combine them in a single payment and specify the amount of each), the federal income tax withholding method depends partly on whether you withhold income tax from your employee's regular wages.

1. If you withheld income tax from an employee's regular wages, you can use one of the following methods for the supplemental wages.
 - a. Withhold a flat 25% (no other percentage allowed).
 - b. Add the supplemental and regular wages for the most recent payroll period this year. Then figure the income tax withholding as if the total was a single payment. Subtract the tax already withheld from the regular wages. Withhold the remaining tax from the supplemental wages.
2. If you did not withhold income tax from the employee's regular wages, use method 1-b above. This would occur, for example, when the value of the employee's withholding allowances claimed on Form W-4 is more than the wages.

Regardless of the method that you use to withhold income tax on supplemental wages, they are subject to social security, Medicare, and FUTA taxes.

Example 1. You pay John Peters a base salary on the 1st of each month. He is single and claims one withholding allowance. In January of 2006, he is paid \$1,000. Using the wage bracket tables, you withhold \$52 from this amount. In

February 2006, he receives salary of \$1,000 plus a commission of \$2,000, which you include in regular wages. You figure the withholding based on the total of \$3,000. The correct withholding from the tables is \$354.

Example 2. You pay Sharon Warren a base salary on the 1st of each month. She is single and claims one allowance. Her May 1, 2006, pay is \$2,000. Using the wage bracket tables, you withhold \$198. On May 14, 2006, she receives a bonus of \$2,000. Electing to use supplemental payment method 1-b, you:

1. Add the bonus amount to the amount of wages from the most recent pay date ($\$2,000 + \$2,000 = \$4,000$),
2. Determine the amount of withholding on the combined \$4,000 amount to be \$604 using the wage bracket tables,
3. Subtract the amount withheld from wages on the most recent pay date from the combined withholding amount ($\$604 - \$198 = \$406$), and
4. Withhold \$406 from the bonus payment.

Example 3. The facts are the same as in Example 2, except that you elect to use the flat rate method of withholding on the bonus. You withhold 25% of \$2,000, or \$500, from Sharon's bonus payment.

Tips treated as supplemental wages. Withhold income tax on tips from wages or from other funds that the employee makes available. If an employee receives regular wages and reports tips, figure income tax as if the tips were supplemental wages. If you have not withheld income tax from the regular wages, add the tips to the regular wages. Then withhold income tax on the total. If you withheld income tax from the regular wages, you can withhold on the tips by method 1-a or 1-b above.

Vacation pay. Vacation pay is subject to withholding as if it were a regular wage payment. When vacation pay is in addition to regular wages for the vacation period, treat it as a supplemental wage payment. If the vacation pay is for a time longer than your usual payroll period, spread it over the pay periods for which you pay it.

8. Payroll Period

Your payroll period is a period of service for which you usually pay wages. When you have a regular payroll period, withhold income tax for that time period even if your employee does not work the full period.

When you do not have a regular payroll period, withhold the tax as if you paid wages for a daily or miscellaneous payroll period. Figure the number of days (including Sundays and holidays) in the period covered by the wage payment. If the wages are unrelated to a specific length of time (for example, commissions paid on completion of a sale), count back the number of days from the payment period to the latest of:

- The last wage payment made during the same calendar year,
- The date employment began, if during the same calendar year, or

- January 1 of the same year.

When you pay an employee for a period of less than one week, and the employee signs a statement under penalties of perjury indicating that he or she is not working for any other employer during the same week for wages subject to withholding, figure withholding based on a weekly payroll period. If the employee later begins to work for another employer for wages subject to withholding, the employee must notify you within 10 days. You then figure withholding based on the daily or miscellaneous period.

9. Withholding From Employees' Wages

Income Tax Withholding

To know how much federal income tax to withhold from employees' wages, you should have a Form W-4, Employee's Withholding Allowance Certificate, on file for each employee. Encourage your employees to file an updated Form W-4 for 2006, especially if they owed taxes or received a large refund when filing their 2005 tax return. Advise your employees to use the Withholding Calculator on the IRS website at www.irs.gov/individuals for help in determining how many withholding allowances to claim on their Form W-4.

Ask all new employees to give you a signed Form W-4 when they start work. Make the form effective with the first wage payment. If a new employee does not give you a completed Form W-4, withhold income tax as if he or she is single, with no withholding allowances.

You can now provide Form W-4(SP), Certificado de Exención de la Retención del(la) Empleado(a), in place of Form W-4, Employee's Withholding Allowance Certificate to your Spanish-speaking employees. Instructions, in Spanish, for completing Form W-4 or Form W-4(SP) are available in Publication 579SP, *Cómo Preparar la Declaración de Impuesto Federal*.

You may establish a system to electronically receive Forms W-4 from your employees. See Regulations section 31.3402(f)(5)-1(c) for more information.

A Form W-4 remains in effect until the employee gives you a new one. If an employee gives you a Form W-4 that replaces an existing Form W-4, begin withholding no later than the start of the first payroll period ending on or after the 30th day from the date when you received the replacement Form W-4. For exceptions, see *Exemption from federal income tax withholding*, *IRS review of Forms W-4*, and *Invalid Forms W-4* later.

If you are a successor employer (see *Successor employer* on page 16), secure new Forms W-4 from the transferred employees unless the "Alternative Procedure" in section 5 of Revenue Procedure of 2004-53 applies.

The amount of any federal income tax withholding must be based on marital status and withholding allowances. Your employees may not base their withholding amounts on a fixed dollar amount or percentage. However, an employee may specify a dollar amount to be withheld in addition to the amount of withholding based on filing status and withholding allowances claimed on Form W-4.

Employees may claim fewer withholding allowances than they are entitled to claim. They may wish to claim fewer allowances to ensure that they have enough withholding or to offset the tax on other sources of taxable income that are not subject to adequate withholding.

Note. A Form W-4 that makes a change for the next calendar year will not take effect in the current calendar year.

See Publication 505, *Tax Withholding and Estimated Tax*, for detailed instructions for completing Form W-4. Along with Form W-4, you may wish to order Publication 505 and Publication 919, *How Do I Adjust My Tax Withholding*, for use by your employees.

When you receive a new Form W-4 from an employee, do not adjust withholding for pay periods before the effective date of the new form. Also, do not accept any withholding or estimated tax payments from your employees in addition to withholding based on their Form W-4. If they require additional withholding, they should submit a new Form W-4 and, if necessary, pay estimated tax by filing Form 1040-ES, *Estimated Tax for Individuals*.

Exemption from federal income tax withholding. Generally, an employee may claim exemption from federal income tax withholding because he or she had no income tax liability last year and expects none this year. See the Form W-4 instructions for more information. However, the wages are still subject to social security and Medicare taxes.

A Form W-4 claiming exemption from withholding is valid for only one calendar year. To continue to be exempt from withholding in the next year, an employee must give you a new Form W-4 by February 15 of that year. If the employee does not give you a new Form W-4, withhold tax as if the employee is single with zero withholding allowances or withhold based on the last valid Form W-4 you have for the employee.

In general, if you pay wages to nonresident aliens, you must withhold federal social security and Medicare taxes as you would for a U.S. citizen. However, see Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, for exceptions to this general rule.

New procedure for withholding income taxes on the wages of nonresident alien employees. In general, you also must withhold federal income taxes on the wages of nonresident alien employees. However, see Publication 515 for exceptions to this general rule. For wages paid on or after January 1, 2006, you are required to apply a new procedure in calculating the amount of federal income tax withholding on the wages of nonresident alien employees. Under this procedure, you add an amount as set forth in the chart below to the nonresident alien's wages solely for calculating the income tax withholding for each payroll period. You determine the amount to be withheld by applying the income tax withholding tables to the amount of wages paid plus the additional chart amount. For more information, see Notice 2005-76. You can find Notice 2005-76 on page 947 of Internal Revenue Bulletin 2005-46 at www.irs.gov/pub/irs-irbs/irb05-46.pdf.

The amount to be added to the nonresident alien's wages to calculate income tax withholding is set forth in the following chart.

Amount to Add to Nonresident Alien Employee's Wages for Calculating Income Tax Withholding Only

<u>Payroll Period</u>	<u>Add Additional</u>
Weekly	\$ 51.00
Biweekly	102.00
Semimonthly	110.00
Monthly	221.00
Quarterly	663.00
Semiannually	1,325.00
Annually	2,650.00
Daily or Miscellaneous (each day of the payroll period)	10.20

Note. Nonresident alien students from India and business apprentices from India are not subject to this procedure.

The amounts added under this chart are added to wages solely for calculating income tax withholding on the wages of the nonresident alien employee. These chart amounts should not be included in any box on the employee's Form W-2 and do not increase the income tax liability of the employee. Also, these chart amounts do not increase the social security, Medicare, or FUTA tax liability of the employer or the employee.

This procedure only applies to nonresident alien employees who have wages subject to income tax withholding.

Example. An employer using the percentage method of withholding pays wages of \$500 for a biweekly payroll period to a married nonresident alien employee. The nonresident alien has properly completed Form W-4, entering marital status as "single" with one withholding allowance and indicating status as a nonresident alien on line 6 of Form W-4 (see below). The employer determines the wages to be used in the withholding tables by adding to the \$500 amount of wages paid the amount of \$102 from the chart above (\$602 total). The employer then applies the applicable table (Table 2(a), the table for biweekly payroll period, single persons) by subtracting the applicable percentage method amount for one withholding allowance for a biweekly payroll period from \$602 and making the calculations under the table.

The \$102 added to wages for purposes of calculating income tax withholding is not reported on Form W-2, and does not increase the income tax liability of the employee. The \$102 added amount also does not affect the social security tax, Medicare tax, or FUTA tax liability of the employer or the employee.

Note. This procedure for determining the amount of income tax withholding does not apply to a supplemental wage payment if the 35 percent mandatory flat rate withholding applies or if the 25 percent flat rate withholding is being used to calculate income tax withholding on the supplemental wage payment.

Nonresident Alien's Form W-4. When completing Forms W-4, nonresident aliens are required to:

- Not claim exemption from income tax withholding,
- Request withholding as if they are single, regardless of their actual marital status,
- Claim only one allowance (if the nonresident alien is a resident of Canada, Mexico, or Korea, he or she may claim more than one allowance), and
- Write "Nonresident Alien" or "NRA" above the dotted line on line 6 of Form W-4.

If you maintain an electronic Form W-4 system, you should provide a field for nonresident aliens to enter nonresident alien status in lieu of writing nonresident alien on line 6.

Note. Nonresident aliens are no longer **required** to request additional withholding in the box for Line 6 on Form W-4 because this requirement has been replaced by the new requirement to base withholding on the additional amounts specified above. However, a nonresident alien employee may request additional withholding at his or her option for other purposes, although such additions should not be necessary for withholding to cover federal income tax liability related to employment.

Form 8233. If a nonresident alien employee claims a tax treaty exemption from withholding, the employee must submit Form 8233, Exemption from Withholding or Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, with respect to the income exempt under the treaty, instead of Form W-4. See Publication 515 for details.

IRS review of Forms W-4. In the past, you had to routinely send the IRS any Form W-4 claiming complete exemption from withholding if \$200 or more in weekly wages was expected or claiming more than 10 allowances. Employers no longer have to submit these Forms W-4 to the IRS. However, Forms W-4 are still subject to review. When requested by the IRS, you must make specified original Forms W-4 available for inspection by an IRS employee. You may also be directed to send certain Forms W-4 to the IRS. You may receive a letter from the IRS requiring you to submit a copy of Form W-4 for one or more of your named employees. (When we refer to Form W-4, the same rules apply to Forma W-4(SP), its Spanish translation.) Send the requested copy or copies of Form W-4 to the IRS at the address provided and in the manner directed by the letter. IRS may also require you to submit copies of Form W-4 to the IRS as directed by a revenue procedure or notice published in the Internal Revenue Bulletin.

After submitting a copy of Form W-4 to the IRS, continue to withhold federal income tax based on that Form W-4 if it is valid (see Invalid Forms W-4 on page 16). However, if the IRS later notifies you in writing that the employee is not entitled to claim exemption from withholding or a claimed number of withholding allowances, withhold federal income tax based on the effective date and maximum number of withholding allowances specified in the notice (commonly referred to as a "lock-in letter").

The IRS will also use information reported on Forms W-2, Wage and Tax Statement, to more effectively identify employees with withholding compliance problems. In some cases, where a serious under-withholding problem is found to exist for a particular employee, the IRS may issue a lock-in letter to the employer specifying the maximum

number of withholding allowances permitted for a specific employee.

After the IRS issues a lock-in letter, if the employee wants to claim complete exemption from withholding or claim a number of withholding allowances more than the maximum number specified by the IRS in the lock-in letter, the employee must submit a new Form W-4 and a written statement to support the claims made by the employee on the Form W-4 to the IRS.

If, after you receive the lock-in letter, your employee provides you with a subsequent Form W-4 that does not claim exemption from federal income tax withholding and claims fewer allowances than the number shown in the lock-in letter, resulting in more withholding, withhold based on the subsequent Form W-4 if it is a valid form. Otherwise, disregard any subsequent Forms W-4 provided by the employee and withhold based on the lock-in letter. For additional information about these new rules, see Treasury Decision 9196. You can find Treasury Decision 9196 on page 1,000 of Internal Revenue Bulletin 2005-19 at www.irs.gov/pub/irs-irbs/irb05-19.pdf.

Substitute Forms W-4. You are encouraged to have your employees use the official version of Form W-4 to claim withholding allowances or exemption from withholding. Call the IRS at 1-800-829-3676 or visit the IRS website at www.irs.gov to obtain copies of Form W-4.

You may use a substitute version of Form W-4 to meet your business needs. However, your substitute Form W-4 must contain language that is identical to the official Form W-4 and your form must meet all current IRS rules for substitute forms. At the time that you provide your substitute form to the employee, you must provide him or her with all tables, instructions, and worksheets from the current Form W-4. You may refuse to accept a substitute form developed by an employee.

You may require the employee to use the official Form W-4 or your substitute version. See Treasury Decision 9196 for details.

Invalid Forms W-4. Any unauthorized change or addition to Form W-4 makes it invalid. This includes taking out any language by which the employee certifies that the form is correct. A Form W-4 is also invalid if, by the date an employee gives it to you, he or she indicates in any way that it is false. An employee who submits a false Form W-4 may be subject to a \$500 penalty.

When you get an invalid Form W-4, do not use it to figure federal income tax withholding. Tell the employee that it is invalid and ask for another one. If the employee does not give you a valid one, withhold taxes as if the employee was single and claiming no withholding allowances. However, if you have an earlier Form W-4 for this worker that is valid, withhold as you did before.

Amounts exempt from levy on wages, salary, and other income. If you receive a Notice of Levy on Wages, Salary, and Other Income (Forms 668-W(c), or 668-W(c)(DO)), you must withhold amounts as described in the instructions for these forms. Publication 1494, Table for Figuring Amount Exempt From Levy on Wages, Salary, and Other Income (Forms 668-W(c), 668-W(c)(DO), and 668-W(ICS)) 2006, shows the exempt amount. If a levy issued in a prior year is still in effect and the taxpayer submits a new Statement of Exemptions and Filing Status, use the current year Publication 1494 to compute the exempt amount.

Social Security and Medicare Taxes

The Federal Insurance Contributions Act (FICA) provides for a federal system of old-age, survivors, disability, and hospital insurance. The old-age, survivors, and disability insurance part is financed by the social security tax. The hospital insurance part is financed by the Medicare tax. Each of these taxes is reported separately.

Generally, you are required to withhold social security and Medicare taxes from your employees' wages and you must also pay a matching amount of these taxes. Certain types of wages and compensation are not subject to social security taxes. See sections 5 and 15 for details. Generally, employee wages are subject to social security and Medicare taxes regardless of the employee's age or whether he or she is receiving social security benefits. If the employee reported tips, see section 6.

Tax rates and the social security wage base limit. Social security and Medicare taxes have different rates and only the social security tax has a wage base limit. The wage base limit is the maximum wage that is subject to the tax for the year. Determine the amount of withholding for social security and Medicare taxes by multiplying each payment by the employee tax rate. There are no withholding allowances for social security and Medicare taxes.

The employee tax rate for social security is 6.2% (amount withheld). The employer tax rate for social security is also 6.2% (12.4% total). The 2005 wage base limit was \$90,000. For 2006, the wage base limit is \$94,200.

The employee tax rate for Medicare is 1.45% (amount withheld). The employer tax rate for Medicare tax is also 1.45% (2.9% total). There is no wage base limit for Medicare tax; all covered wages are subject to Medicare tax.

Successor employer. If you received all or most of the property used in the trade or business of another employer, or a unit of that employer's trade or business, you may include the wages that the other employer paid to your acquired employees before the transfer of property when you figure the annual wage base limit for social security. You should determine whether or not you should file Schedule D (Form 941), Report of Discrepancies Caused by Acquisitions, Statutory Mergers, or Consolidations, by reviewing the Instructions for Schedule D (Form 941). See Regulations section 31.3121(a)(1)-1(b) for more information. Also see Rev. Proc. 2004-53 for more information. You can find Rev. Proc. 2004-53 on page 320 of Internal Revenue Bulletin 2004-34 at www.irs.gov/pub/irs-irbs/irb04-34.pdf.

Example. Early in 2006, you bought all of the assets of a plumbing business from Mr. Martin. Mr. Brown, who had been employed by Mr. Martin and received \$2,000 in wages before the date of purchase, continued to work for you. The wages that you paid to Mr. Brown are subject to social security taxes on the first \$92,200 (\$94,200 minus \$2,000). Medicare tax is due on all of the wages that you pay him during the calendar year.

Withholding of social security and Medicare taxes on nonresident alien employees. In general, if you pay wages to nonresident alien employees, you must withhold federal social security and Medicare taxes as you would for a U.S. citizen. However, see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, for exceptions to this general rule.

International social security agreements. The United States has social security agreements with many countries that eliminate dual taxation and dual coverage. Compensation subject to social security and Medicare taxes may be exempt under one of these agreements. You can get more information and a list of agreement countries from SSA at www.socialsecurity.gov/international or see section 7 of Publication 15-A, Employer's Supplemental Tax Guide.

Religious exemption. An exemption from social security and Medicare taxes is available to members of a recognized religious sect opposed to insurance. This exemption is available only if both the employee and the employer are members of the sect.

For more information, see Publication 517, Social Security and Other Information for Members of the Clergy and Religious Workers.

Part-Time Workers

For federal income tax withholding and social security, Medicare, and federal unemployment (FUTA) tax purposes, there are no differences among full-time employees, part-time employees, and employees hired for short periods. It does not matter whether the worker has another job or has the maximum amount of social security tax withheld by another employer. Income tax withholding may be figured the same way as for full-time workers. Or it may be figured by the part-year employment method explained in section 9 of Publication 15-A.

10. Advance Earned Income Credit (EIC) Payment

An employee who expects to be eligible for the earned income credit (EIC) and expects to have a qualifying child is entitled to receive EIC payments with his or her pay during the year. To get these payments, the employee must provide to you a properly completed Form W-5 (or Form W-5(SP), its Spanish translation), Earned Income Credit Advance Payment Certificate, using either the paper form or an approved electronic format. You are required to make advance EIC payments to employees who give you a completed and signed Form W-5. You may establish a system to electronically receive Forms W-5 from your employees. See Announcement 99-3 for information on electronic requirements for Form W-5. You can find Announcement 99-3 on page 15 of Internal Revenue Bulletin 1999-3 at www.irs.gov/pub/irs-irbs/irb99-03.pdf.

Certain employees who do not have a qualifying child may be able to claim the EIC on their tax return. However, they cannot get advance EIC payments.

For 2006, the advance payment can be as much as \$1,648. The tables that begin on page 58 reflect that limit.

Form W-5. Form W-5 states the eligibility requirements for receiving advance EIC payments. On Form W-5, an employee states that he or she expects to be eligible to claim the EIC and shows whether he or she has another Form W-5 in effect with any other current employer. The employee also shows the following:

- Whether he or she expects to have a qualifying child.

- Whether he or she will file a joint return.
- If the employee is married, whether his or her spouse has a Form W-5 in effect with any employer.

An employee may have only one certificate in effect with a current employer at one time. If an employee is married and his or her spouse also works, each spouse should file a separate Form W-5.

Length of effective period. Form W-5 is effective for the first payroll period ending on or after the date the employee gives you the form (or the first wage payment made without regard to a payroll period). It remains in effect until the end of the calendar year unless the employee revokes it or files another one. Eligible employees must file a new Form W-5 each year.

Change of status. If an employee gives you a signed Form W-5 and later becomes ineligible for advance EIC payments, he or she must revoke Form W-5 within 10 days after learning about the change of circumstances. The employee must give you a new Form W-5 stating that he or she is no longer eligible for or no longer wants advance EIC payments.

If an employee's situation changes because his or her spouse files a Form W-5, the employee must file a new Form W-5 showing that his or her spouse has a Form W-5 in effect with an employer. This will reduce the maximum amount of advance payments that you can make to that employee.

If an employee's spouse has filed a Form W-5 that is no longer in effect, the employee may file a new Form W-5 with you, but is not required to do so. A new form will certify that the spouse does not have a Form W-5 in effect and will increase the maximum amount of advance payments you can make to that employee.

Invalid Form W-5. The Form W-5 is invalid if it is incomplete, unsigned, or has an alteration or unauthorized addition. The form has been altered if any of the language has been deleted. Any writing added to the form other than the requested entries is an unauthorized addition.

You should consider a Form W-5 invalid if an employee has made an oral or written statement that clearly shows the Form W-5 to be false. If you receive an invalid form, tell the employee that it is invalid as of the date that he or she made the oral or written statement. For advance EIC payment purposes, the invalid Form W-5 is considered void.

You are not required to determine if a completed and signed Form W-5 is correct. However, you should contact the IRS if you have reason to believe that it contains an incorrect statement.

How to figure the advance EIC payment. To figure the amount of the advance EIC payment to include with the employee's pay, you must consider:

- Wages, including reported tips, for the same period. Generally, figure advance EIC payments using the amount of wages subject to income tax withholding. If an employee's wages are not subject to income tax withholding, use the amount of wages subject to withholding for social security and Medicare taxes.
- Whether the employee is married or single.
- Whether a married employee's spouse has a Form W-5 in effect with an employer.

Do not consider combat zone pay received by the employee and excluded from income as earned income when figuring the advance EIC payment.

Note. If during the year you have paid an employee total wages of at least \$32,001 (\$34,001 if married filing jointly), you must stop making advance EIC payments to that employee for the rest of the year.

Figure the amount of advance EIC to include in the employee's pay by using the tables that begin on page 58. There are separate tables for employees whose spouses have a Form W-5 in effect. See page 35 for instructions on using the advance EIC payment tables. The amount of advance EIC paid to an employee during 2006 cannot exceed \$1,648.

Paying the advance EIC to employees. An advance EIC payment is not wages and is not subject to withholding of income, social security, or Medicare taxes. An advance EIC payment does not change the amount of income, social security, or Medicare taxes that you withhold from the employee's wages. You add the EIC payment to the employee's **net** pay for the pay period. At the end of the year, you show the total advance EIC payments in box 9 on Form W-2. Do not include this amount as wages in box 1.

Employer's returns. Show the total payments that you made to employees on the advance EIC payments line (line 9) of your Form 941. Subtract this amount from your total taxes on line 8. See the separate Instructions for Form 941. Reduce the amounts reported on line 15 of Form 941 or on appropriate lines of Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, by any advance EIC paid to your employees.

Generally, employers will make the advance EIC payment from withheld income tax and employee and employer social security and Medicare taxes. These taxes are normally required to be paid over to the IRS either through federal tax deposits or with employment tax returns. For purposes of deposit due dates, advance EIC payments are treated as deposits of these taxes on the day that you pay wages (including the advance EIC payment) to your employees. The payments are treated as deposits of these taxes in the following order: (1) income tax withholding, (2) withheld employee social security and Medicare taxes, and (3) the employer's share of social security and Medicare taxes.

Example. You have 10 employees, each entitled to an advance EIC payment of \$10. The total amount of advance EIC payments that you make for the payroll period is \$100. The total amount of income tax withholding for the payroll period is \$90. The total employee and employer social security and Medicare taxes for the payroll period is \$122.60 (\$61.30 each).

You are considered to have made a deposit of \$100 advance EIC payment on the day that you paid wages. The \$100 is treated as if you deposited the \$90 total income tax withholding and \$10 of the employee social security and Medicare taxes. You remain liable for depositing the remaining \$112.60 of the social security and Medicare taxes (\$51.30 + \$61.30 = \$112.60).

Advance EIC payments more than taxes due. For any payroll period, if the total advance EIC payments are more

than the total payroll taxes (withheld income tax and both employee and employer shares of social security and Medicare taxes), you may choose either to:

1. Reduce each employee's advance payment proportionally so that the total advance EIC payments equal the amount of taxes due or
2. Elect to make full payment of the advance EIC and treat the excess as an advance payment of employment taxes.

Example. You have 10 employees who are each entitled to an advance EIC payment of \$10. The total amount of advance EIC payable for the payroll period is \$100. The total employment tax for the payroll period is \$90 (including income tax withholding and social security and Medicare taxes). The advance EIC payable is \$10 more than the total employment tax. The \$10 excess is 10% of the advance EIC payable (\$100). You may—

- Reduce each employee's payment by 10% (to \$9 each) so that the advance EIC payments equal your total employment tax (\$90) or
- Pay each employee \$10, and treat the excess \$10 as an advance payment of employment taxes. See the Instructions for Form 941 for reporting details.

U.S. territories. If you are in American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, or the U.S. Virgin Islands, consult your local tax office for information on the EIC. You cannot take advance EIC payments into account on Form 941-SS.

Required Notice to Employees

You must notify employees who have no federal income tax withheld that they may be able to claim a tax refund because of the EIC. Although you do not have to notify employees who claim exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate, about the EIC, you are encouraged to notify any employees whose wages for 2005 were less than \$35,263 (\$37,263 if married filing jointly) that they may be eligible to claim the credit for 2005. This is because eligible employees may get a refund of the amount of EIC that is more than the tax that they owe.

You will meet this notification requirement if you issue to the employee IRS Form W-2 with the EIC notice on the back of Copy B, or a substitute Form W-2 with the same statement. You will also meet the requirement by providing Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC), or your own statement that contains the same wording.

If a substitute Form W-2 is given to the employee on time but does not have the required statement, you must notify the employee within one week of the date that the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date that Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2006.

11. Depositing Taxes

In general, you must deposit federal income tax withheld and both the employer and employee social security and Medicare taxes plus or minus any prior period adjustments to your tax liability (minus any advance EIC payments). You must deposit by using the Electronic Federal Tax Payment System (EFTPS) or by mailing or delivering a check, money order, or cash with Form 8109, Federal Tax Deposit Coupon, to a financial institution that is an authorized depository for federal taxes. Some taxpayers are required to deposit using the EFTPS. See *How To Deposit* on page 21 for information on electronic deposit requirements for 2006.

Payment with return. You may make a payment with Form 941 instead of depositing if one of the following applies.

- You report less than a \$2,500 tax liability for the quarter on line 10 of Form 941, and you pay in full with a timely filed return. (However, if you are unsure that you will report less than \$2,500, deposit under the appropriate rules so that you will not be subject to failure-to-deposit penalties.)
- You are a monthly schedule depositor (defined below) and make a payment in accordance with the *Accuracy of Deposits Rule* discussed on page 21. This payment may be \$2,500 or more.

Separate deposit requirements for nonpayroll (Form 945) tax liabilities. Separate deposits are required for nonpayroll and payroll income tax withholding. Do not combine deposits for Forms 941 and 945 tax liabilities. Generally, the deposit rules for nonpayroll liabilities are the same as discussed below, except that the rules apply to an annual rather than a quarterly return period. Thus, the \$2,500 threshold for the deposit requirement discussed above applies to Form 945 on an annual basis. See the separate Instructions for Form 945 for more information.

When To Deposit

There are two deposit schedules—monthly or semi-weekly—for determining when you deposit social security, Medicare, and withheld income taxes. These schedules tell you when a deposit is due after a tax liability arises (for example, when you have a payday). Before the beginning of each calendar year, you must determine which of the two deposit schedules that you are required to use. The deposit schedule that you must use is based on the total tax liability that you reported on Form 941 during a four-quarter lookback period discussed below. Your deposit schedule is not determined by how often you pay your employees or make deposits. See *Application of Monthly and Semiweekly Schedules* on page 20.

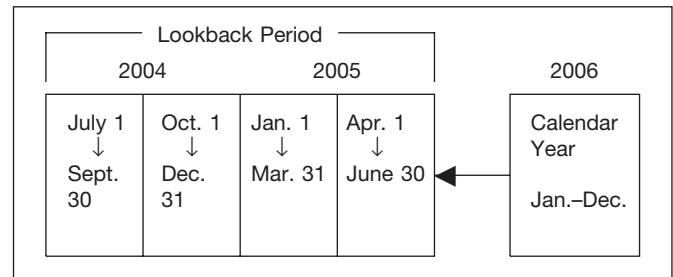


These rules do not apply to federal unemployment (FUTA) tax. See section 14 for information on depositing FUTA tax.

Lookback period. Your deposit schedule for a calendar year is determined from the total taxes (that is, not reduced by any advance EIC payments) reported on line 8 of your Forms 941 in a four-quarter lookback period. (Refer to line

11 on pre-2005 versions of Form 941.) The lookback period begins July 1 and ends June 30 as shown in Table 1 below. If you reported \$50,000 or less of taxes for the lookback period, you are a monthly schedule depositor; if you reported more than \$50,000, you are a semiweekly schedule depositor.

Table 1. Lookback Period for Calendar Year 2006



Adjustments and the lookback rule. Determine your tax liability for the four quarters in the lookback period based on the tax liability as reported on your Form 941. If you made adjustments to correct errors on previously filed Forms 941, these adjustments do not affect the amount of tax liability for purposes of the lookback rule.

If you report adjustments on your current Form 941 to correct errors on prior Forms 941, include these adjustments as part of your tax liability for the current quarter and adjust your deposits accordingly. If you filed Form 843 to claim a refund for a prior period overpayment, your tax liability does not change for either the prior period or the current period for purposes of the lookback rule.

Example. An employer originally reported a tax liability of \$45,000 for the four quarters in the lookback period ending June 30, 2005. The employer discovered during January 2006 that the tax during one of the lookback period quarters was understated by \$10,000 and corrected this error with an adjustment on the 2006 first quarter return. This employer is a monthly schedule depositor for 2006 because the lookback period tax liabilities are based on the amounts originally reported, and they were \$50,000 or less. The \$10,000 adjustment is part of the 2006 first quarter tax liability.

Deposit period. The term deposit period refers to the period during which tax liabilities are accumulated for each required deposit due date. For monthly schedule depositors, the deposit period is a calendar month. The deposit periods for semiweekly schedule depositors are Wednesday through Friday and Saturday through Tuesday.

Monthly Deposit Schedule

You are a monthly schedule depositor for a calendar year if the total taxes on line 8 of Form 941 for the four quarters in your lookback period were \$50,000 or less. (Refer to line 11 on pre-2005 versions of Form 941.) Under the monthly deposit schedule, deposit Form 941 taxes on payments made during a month by the 15th day of the following month. See also *Deposits on Banking Days Only* later.

Monthly schedule depositors should not file Form 941 on a monthly basis. Also, do not file Form 941-M, Employer's Monthly Federal Tax Return, unless you are instructed to do so by an IRS representative.

New employers. Your tax liability for any quarter in the lookback period before you started or acquired your business is considered to be zero. Therefore, you are a monthly schedule depositor for the first calendar year of your business. But see the *\$100,000 Next-Day Deposit Rule* on page 21.

Semiweekly Deposit Schedule

You are a semiweekly schedule depositor for a calendar year if the total taxes on line 8 of Form 941 during your lookback period were more than \$50,000. (Refer to line 11 on pre-2005 versions of Form 941.) Under the semiweekly deposit schedule, deposit Form 941 taxes for payments made on Wednesday, Thursday, and/or Friday by the following Wednesday. Deposit amounts accumulated for payments made on Saturday, Sunday, Monday, and/or Tuesday by the following Friday. See also *Deposits on Banking Days Only* later.

Note. Semiweekly schedule depositors must complete Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors, and submit it with Form 941.

Table 2. Semiweekly Deposit Schedule

IF the payday falls on a . . .	THEN deposit taxes by the following . . .
Wednesday, Thursday, and/or Friday	Wednesday
Saturday, Sunday, Monday, and/or Tuesday	Friday

Semiweekly deposit period spanning two quarters. If you have more than one pay date during a semiweekly period and the pay dates fall in different calendar quarters, you will need to make **separate deposits** for the separate liabilities. For example, if you have a pay date on Saturday, September 30, 2006 (third quarter), and another pay date on Tuesday, October 3, 2006, (fourth quarter), two separate deposits would be required even though the pay dates fall within the same semiweekly period. Both deposits would be due Friday, October 6, 2006 (three banking days from the end of the semiweekly deposit period).

Summary of Steps To Determine Your Deposit Schedule

1. Identify your lookback period (see Table 1).
2. Add the total taxes from line 11, Form 941 (line 8, Form 941 for 2005) you reported during the lookback period.
3. Determine if you are a monthly or semiweekly schedule depositor:

If the total taxes you reported in the lookback period were . . .	Then you are a . . .
\$50,000 or less	Monthly Schedule Depositor
More than \$50,000	Semiweekly Schedule Depositor

Example of Monthly and Semiweekly Schedules

Rose Co. reported Form 941 taxes as follows:

2005 Lookback Period		2006 Lookback Period	
3rd Quarter 2003	\$12,000	3rd Quarter 2004	\$12,000
4th Quarter 2003	\$12,000	4th Quarter 2004	\$12,000
1st Quarter 2004	\$12,000	1st Quarter 2005	\$12,000
2nd Quarter 2004	<u>\$12,000</u>	2nd Quarter 2005	<u>\$15,000</u>
	\$48,000		\$51,000

Rose Co. is a monthly schedule depositor for 2005 because its tax liability for the four quarters in its lookback period (third quarter 2003 through second quarter 2004) was not more than \$50,000. However, for 2006, Rose Co. is a semiweekly schedule depositor because the total taxes exceeded \$50,000 for the four quarters in its lookback period (third quarter 2004 through second quarter 2005).

Deposits on Banking Days Only

If a deposit is required to be made on a day that is not a banking day, the deposit is considered timely if it is made by the close of the next banking day. In addition to federal and state bank holidays, Saturdays and Sundays are treated as nonbanking days. For example, if a deposit is required to be made on a Friday and Friday is not a banking day, the deposit will be considered timely if it is made by the following Monday (if that Monday is a banking day).

Semiweekly schedule depositors have at least 3 banking days to make a deposit. That is, if any of the 3 weekdays after the end of a semiweekly period is a banking holiday, you will have 1 additional banking day to deposit. For example, if a semiweekly schedule depositor accumulated taxes for payments made on Friday and the following Monday is not a banking day, the deposit normally due on Wednesday may be made on Thursday (allowing 3 banking days to make the deposit).

Application of Monthly and Semiweekly Schedules

The terms “monthly schedule depositor” and “semiweekly schedule depositor” do not refer to how often your business pays its employees or even how often you are required to make deposits. The terms identify which set of deposit rules that you must follow when an employment tax liability arises. The deposit rules are based on the dates when wages are paid (for example, cash basis); not on when tax liabilities are accrued for accounting purposes.

Monthly schedule example. Spruce Co. is a monthly schedule depositor with seasonal employees. It paid wages each Friday. During March it paid wages but did not pay any wages during April. Under the monthly deposit schedule, Spruce Co. must deposit the combined tax liabilities for the four March paydays by April 15. Spruce Co. does not have a deposit requirement for April (due by May

15) because no wages were paid and, therefore, it did not have a tax liability for April.

Semiweekly schedule example. Green, Inc., which has a semiweekly deposit schedule, pays wages once each month on the last day of the month. Although Green, Inc., has a semiweekly deposit schedule, it will deposit just once a month because it pays wages only once a month. The deposit, however, will be made under the semiweekly deposit schedule as follows: Green, Inc.'s tax liability for the April 28, 2006 (Friday), payday must be deposited by May 3, 2006 (Wednesday). Under the semiweekly deposit schedule, liabilities for wages paid on Wednesday through Friday must be deposited by the following Wednesday.

\$100,000 Next-Day Deposit Rule

If you accumulate \$100,000 or more of taxes (that is, line 10 of Form 941) on any day during a deposit period, you must deposit the tax by the next banking day, whether you are a monthly or semiweekly schedule depositor.

For purposes of the \$100,000 rule, do not continue accumulating a tax liability after the end of a deposit period. For example, if a semiweekly schedule depositor has accumulated a liability of \$95,000 on a Tuesday (of a Saturday-through-Tuesday deposit period) and accumulated a \$10,000 liability on Wednesday, the \$100,000 next-day deposit rule does not apply. Thus, \$95,000 must be deposited by Friday and \$10,000 must be deposited by the following Wednesday.

However, once you accumulate at least \$100,000 in a deposit period, stop accumulating at the end of that day and begin to accumulate anew on the next day. For example, Fir Co. is a semiweekly schedule depositor. On Monday, Fir Co. accumulates taxes of \$110,000 and must deposit this amount on Tuesday, the next banking day. On Tuesday, Fir Co. accumulates additional taxes of \$30,000. Because the \$30,000 is not added to the previous \$110,000 and is less than \$100,000, Fir Co. must deposit the \$30,000 by Friday (following the semiweekly deposit schedule).



If you are a monthly schedule depositor and accumulate a \$100,000 tax liability on any day, you become a semiweekly schedule depositor on the next day and remain so for at least the rest of the calendar year and for the following calendar year.

Example. Elm, Inc., started its business on April 3, 2006. On April 14, it paid wages for the first time and accumulated a tax liability of \$40,000. On Friday, April 21, 2006, Elm, Inc., paid wages and accumulated a liability of \$60,000, bringing its accumulated tax liability to \$100,000. Because this was the first year of its business, the tax liability for its lookback period is considered to be zero, and it would be a monthly schedule depositor based on the lookback rules. However, since Elm, Inc., accumulated a \$100,000 liability on April 21, it became a semiweekly schedule depositor on April 22. It will be a semiweekly schedule depositor for the remainder of 2006 and for 2007. Elm, Inc., is required to deposit the \$100,000 by Monday, April 24, the next banking day.

Accuracy of Deposits Rule

You are required to deposit 100% of your tax liability on or before the deposit due date. However, penalties will not be applied for depositing less than 100% if both of the following conditions are met.

- Any deposit shortfall does not exceed the greater of \$100 or 2% of the amount of taxes otherwise required to be deposited and
- The deposit shortfall is paid or deposited by the shortfall makeup date as described below.

Makeup Date for Deposit Shortfall:

1. **Monthly schedule depositor.** Deposit the shortfall or pay it with your return by the due date of your Form 941 for the quarter in which the shortfall occurred. You may pay the shortfall with Form 941 even if the amount is \$2,500 or more.
2. **Semiweekly schedule depositor.** Deposit by the earlier of:
 - a. The first Wednesday or Friday (whichever comes first) that falls on or after the 15th of the month following the month in which the shortfall occurred or
 - b. The due date of Form 941 (for the quarter of the tax liability).

For example, if a semiweekly schedule depositor has a deposit shortfall during July 2006, the shortfall makeup date is August 16, 2006 (Wednesday). However, if the shortfall occurred on the required October 4 (Wednesday) deposit due date for a September 29 (Friday) pay date, the return due date for the September 29 pay date (October 31) would come before the November 15 (Wednesday) shortfall makeup date. In this case, the shortfall must be deposited by October 31.

How To Deposit

The two methods of depositing employment taxes, including Form 945 taxes, are discussed below. See *Payment with return* on page 19 for exceptions explaining when taxes may be paid with the tax return instead of being deposited.

Electronic deposit requirement. You must make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using the Electronic Federal Tax Payment System (EFTPS) in 2006 if:

- Your total deposits of depository taxes in 2004 were more than \$200,000 or
- You were required to use EFTPS in 2005.

If you are required to use EFTPS and fail to do so, you may be subject to a 10% failure-to-deposit penalty. EFTPS is a free service provided by the Department of Treasury. If you are not required to use EFTPS, you may participate voluntarily. To get more information or to enroll in EFTPS, call 1-800-555-4477. You can also visit the EFTPS website at www.eftps.gov.

Depositing on time. For deposits made by EFTPS to be on time, you must initiate the transaction at least one business day before the date that the deposit is due.

Deposit record. For your records, an Electronic Funds Transfer (EFT) Trace Number will be provided with each successful payment. The number can be used as a receipt or to trace the payment.

Making deposits with FTD coupons. If you are not making deposits by EFTPS, use Form 8109, Federal Tax Deposit Coupon, to make the deposits at an authorized financial institution.

For new employers, if you would like to receive a Federal Tax Deposit (FTD) coupon booklet, call 1-800-829-4933. Allow 5 to 6 weeks for delivery. The IRS will keep track of the number of FTD coupons that you use and automatically will send you additional coupons when you need them. If you do not receive your resupply of FTD coupons, call 1-800-829-4933. You can have the FTD coupon books sent to a branch office, tax preparer, or service bureau that is making your deposits by showing that address on Form 8109-C, FTD Address Change, which is in the FTD coupon book. (Filing Form 8109-C will not change your address of record; it will change only the address where the FTD coupons are mailed.) The FTD coupons will be preprinted with your name, address, and EIN. They have entry boxes for indicating the type of tax and the tax period for which the deposit is made.

It is very important to clearly mark the correct type of tax and tax period on each FTD coupon. This information is used by the IRS to credit your account.

If you have branch offices depositing taxes, give them FTD coupons and complete instructions so that they can deposit the taxes when due.

Please use only your FTD coupons. If you use anyone else's FTD coupon, you may be subject to a failure-to-deposit penalty. This is because your account will be underpaid by the amount of the deposit credited to the other person's account. See *Deposit Penalties* below for penalty amounts.

How to deposit with an FTD coupon. Mail or deliver each FTD coupon and a single payment covering the taxes to be deposited to an authorized depository. An authorized depository is a financial institution (for example, a commercial bank) that is authorized to accept federal tax deposits. Follow the instructions in the FTD coupon book. Make your check or money order payable to the depository. To help ensure proper crediting of your account, include your EIN, the type of tax (for example, Form 941), and the tax period to which the payment applies on your check or money order.

Authorized depositories must accept cash, a postal money order drawn to the order of the depository, or a check or draft drawn on and to the order of the depository. You may deposit taxes with a check drawn on another financial institution only if the depository is willing to accept that form of payment. Be sure that the financial institution where you make deposits is an authorized depository. Deposits made at an unauthorized institution may be subject to the failure-to-deposit penalty.

If you prefer, you may mail your coupon and payment to: Financial Agent, Federal Tax Deposit Processing, P.O. Box 970030, St. Louis, MO 63197. Make your check or money order payable to "Financial Agent."

Depositing on time. The IRS determines whether deposits are on time by the date that they are received by an

authorized depository. To be considered timely, the funds must be available to the depository on the deposit due date before the institution's daily cutoff deadline. Contact your local depository for information concerning check clearance and cutoff schedules. However, a deposit received by the authorized depository after the due date will be considered timely if the taxpayer establishes that it was mailed in the United States in a properly addressed, postage prepaid envelope at least two days before the due date.

Note. If you must deposit any taxes more than once a month, any deposit of \$20,000 or more must be received by the authorized depository by its due date to be timely. See section 7502(e)(3).

Depositing without an EIN. If you have applied for an EIN but have not received it and you must make a deposit, make the deposit with the IRS. Do not make the deposit at an authorized depository. Make it payable to the "United States Treasury" and show on it your name (as shown on Form SS-4), address, kind of tax, period covered, and date you applied for an EIN. Send your deposit with an explanation to your local IRS office or the service center where you will file Form 941. The service center addresses are in the Instructions for Form 941 and are also available on the IRS website at www.irs.gov. Do not use Form 8109-B, Federal Tax Deposit Coupon, in this situation.

Depositing without Form 8109. If you have an EIN but do not have a preprinted Form 8109, you may use Form 8109-B to make deposits. Form 8109-B is an over-the-counter FTD coupon that is not preprinted with your identifying information. You may get this form by visiting an IRS taxpayer assistance center. Be sure to have your EIN with you. You will not be able to obtain Form 8109-B by calling 1-800-TAX-FORM.

Use Form 8109-B to make deposits only if:

- You are a new employer and you have been assigned an EIN, but you have not received your initial supply of Forms 8109 or
- You have not received your resupply of preprinted Forms 8109.

Deposit record. For your records, a stub is provided with each FTD coupon in the coupon book. The FTD coupon itself will not be returned. It is used to credit your account. Your check, bank receipt, or money order is your receipt.

How to claim credit for overpayments. If you deposited more than the right amount of taxes for a quarter, you can choose on Form 941 for that quarter to have the overpayment refunded or applied as a credit to your next return. Do not ask the depository or EFTPS to request a refund from the IRS for you.

Deposit Penalties

Penalties may apply if you do not make required deposits on time, if you make deposits for less than the required amount, or if you do not use EFTPS when required. The penalties do not apply if any failure to make a proper and timely deposit was due to reasonable cause and not to willful neglect. For amounts not properly or timely deposited, the penalty rates are as follows.

- 2%** - Deposits made 1 to 5 days late.
- 5%** - Deposits made 6 to 15 days late.
- 10%** - Deposits made 16 or more days late. Also applies to amounts paid within 10 days of the date of the first notice the IRS sent asking for the tax due.
- 10%** - Deposits made at an unauthorized financial institution, paid directly to the IRS, or paid with your tax return. But see *Depositing without an EIN* on page 22 and *Payment with return* on page 19 for exceptions.
- 10%** - Amounts subject to electronic deposit requirements but not deposited using EFTPS.
- 15%** - Amounts still unpaid more than 10 days after the date of the first notice that the IRS sent asking for the tax due or the day on which you received notice and demand for immediate payment, whichever is earlier.

Note. Late deposit penalty amounts are determined using calendar days, starting from the due date of the liability.

Order in which deposits are applied. Deposits generally are applied to the most recent tax liability within the quarter. If you receive a failure-to-deposit penalty notice, you may designate how your payment is to be applied in order to minimize the amount of the penalty. Follow the instructions on the penalty notice that you received. For more information on designating deposits, see Rev. Proc. 2001-58. You can find Rev. Proc. 2001-58 on page 579 of Internal Revenue Bulletin 2001-50 at www.irs.gov/pub/irs-irbs/irb01-50.pdf.

Example. Cedar, Inc. is required to make a deposit of \$1,000 on June 15 and \$1,500 on July 15. It does not make the deposit on June 15. On July 15, Cedar, Inc. deposits \$2,000. Under the deposits rule, which applies deposits to the most recent tax liability, \$1,500 of the deposit is applied to the July 15 deposit and the remaining \$500 is applied to the June deposit. Accordingly, \$500 of the June 15 liability remains undeposited. The penalty on this underdeposit will apply as explained above.

Trust fund recovery penalty. If federal income, social security, and Medicare taxes that must be withheld are not withheld or are not deposited or paid to the United States Treasury, the trust fund recovery penalty may apply. The penalty is the full amount of the unpaid trust fund tax. This penalty may apply to you if these unpaid taxes cannot be immediately collected from the employer or business.

The trust fund recovery penalty may be imposed on all persons who are determined by the IRS to be responsible for collecting, accounting for, and paying over these taxes, and who acted willfully in not doing so.

A **responsible person** can be an officer or employee of a corporation, a partner or employee of a partnership, an accountant, a volunteer director/trustee, or an employee of a sole proprietorship. A responsible person also may include one who signs checks for the business or otherwise has authority to cause the spending of business funds.

Willfully means voluntarily, consciously, and intentionally. A responsible person acts willfully if the person knows that the required actions are not taking place.

Separate accounting when deposits are not made or withheld taxes are not paid. Separate accounting may

be required if you do not pay over withheld employee social security, Medicare, or income taxes; deposit required taxes; make required payments; or file tax returns. In this case, you would receive written notice from the IRS requiring you to deposit taxes into a special trust account for the U.S. Government. You would also have to file monthly tax returns on Form 941-M, Employer's Monthly Federal Tax Return.

"Averaged" failure-to-deposit penalty. IRS may assess an "averaged" failure-to-deposit (FTD) penalty of 2% to 10% if you are a monthly schedule depositor and did not properly complete line 15 of Form 941 when your tax liability (line 10) shown on Form 941 exceeded \$2,500. IRS may also assess an "averaged" FTD penalty of 2% to 10% if you are a semiweekly schedule depositor and your tax liability (line 10) shown on Form 941 exceeded \$2,500 and you:

- Completed line 15 of Form 941 instead of Schedule B (Form 941),
- Failed to attach a properly completed Schedule B (Form 941), or
- Improperly completed Schedule B (Form 941) by, for example, entering tax deposits instead of tax liabilities in the numbered spaces.

The FTD penalty is figured by distributing your total tax liability shown on line 10 of Form 941 equally throughout the tax period. As a result, your deposits and payments may not be counted as timely because the actual dates of your tax liabilities cannot be accurately determined.

You can avoid an "averaged" FTD penalty by reviewing your return before you file it. Follow these steps before submitting your Form 941.

- If you are a monthly schedule depositor, report your tax liabilities (not your deposits) in the monthly entry spaces on line 15.
- If you are a semiweekly schedule depositor, report your tax liabilities (not your deposits) on Schedule B (Form 941) in the lines that represent the dates your employees were paid.
- Verify that your total liability shown on line 15 of Form 941 or the bottom of Schedule B (Form 941) equals your tax liability shown on line 10 of Form 941.
- Do not show negative amounts on line 15 or Schedule B (Form 941). If a prior period correction results in a decrease to your tax liability, reduce your liability for the day that you discovered the error by the tax decrease resulting from the error, but not below zero. Apply any remaining decrease to subsequent liabilities.

12. Filing Form 941

Each quarter, all employers who pay wages subject to income tax withholding (including withholding on sick pay and supplemental unemployment benefits) or social security and Medicare taxes must file Form 941, Employer's Quarterly Federal Tax Return, by the last day of the month that follows the end of the quarter. See the *Calendar* on page 2. However, the following exceptions apply:

- **Seasonal employers who no longer file for quarters when they regularly have no tax liability because they have paid no wages.** To alert the IRS that you will not have to file a return for one or more quarters during the year, check the "Seasonal employer" box on line 17 of Form 941. The IRS will mail two Forms 941 to the seasonal filer once a year after March 1. When you fill out Form 941, be sure to check the box on the top of the form that corresponds to the quarter reported. Generally, the IRS will not inquire about unfiled returns if at least one taxable return is filed each year. However, you must check the "Seasonal employer" box on every Form 941 you file. Otherwise, the IRS will expect a return to be filed for each quarter.
- **Household employers reporting social security and Medicare taxes and/or withheld income tax.** If you are a sole proprietor and file Form 941 for business employees, you may include taxes for household employees on your Form 941. Otherwise, report social security and Medicare taxes and income tax withholding for household employees on Schedule H (Form 1040), Household Employment Taxes. See Publication 926, Household Employer's Tax Guide, for more information.
- **Employers reporting wages for employees in American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or Puerto Rico.** If your employees are not subject to U.S. income tax withholding, use Form 941-SS. Employers in Puerto Rico use Form 941-PR.
- **Agricultural employers reporting social security, Medicare, and withheld income taxes.** Report these taxes on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees.

Form 941 e-file. The Form 941 e-file program allows a taxpayer to electronically file Form 941 using a personal computer, modem, and commercial tax preparation software. Contact the IRS at 1-866-255-0654 or visit the IRS website at www.irs.gov/efile for more information. See Publication 1855, Technical Specifications Guide for the Electronic Filing of Form 941, Employee's Quarterly Federal Tax Return, for technical specifications.

Electronic filing by reporting agents. Reporting agents filing Forms 941 for groups of taxpayers can file them electronically. See *Reporting Agents* in section 7 of Publication 15-A, Employer's Supplemental Tax Guide, for more information.

Penalties. For each whole or part month that a return is not filed when required (disregarding any extensions of the filing deadline), there is a failure-to-file penalty of 5% of the unpaid tax due with that return. The maximum penalty is generally 25% of the tax due. Also, for each whole or part month that the tax is paid late (disregarding any extensions of the payment deadline), there is a failure-to-pay penalty of 0.5% per month of the amount of tax. For individual filers only, the failure-to-pay penalty is reduced from 0.5% per month to 0.25% per month if an installment agreement is in

effect. You must have filed your return on or before the due date of the return to qualify for the reduced penalty. The maximum amount of the failure-to-pay penalty is also 25% of the tax due. If both penalties apply in any month, the failure-to-file penalty is reduced by the amount of the failure-to-pay penalty. The penalties will not be charged if you have a reasonable cause for failing to file or pay. If you receive a penalty notice, you can provide an explanation of why you believe reasonable cause exists.

Note. In addition to any penalties, interest accrues from the due date of the tax on any unpaid balance.

If income, social security, or Medicare taxes that must be withheld are not withheld or are not paid, you may be personally liable for the trust fund recovery penalty. See *Trust fund recovery penalty* in section 11.

Use of a reporting agent or other third-party payroll service provider does not relieve an employer of the responsibility to ensure that tax returns are filed and all taxes are paid or deposited correctly and on time.

Do not file more than one Form 941 per quarter. Employers with multiple locations or divisions must file only one Form 941 per quarter. Filing more than one return may result in processing delays and may require correspondence between you and the IRS. For information on making adjustments to previously filed returns, see section 13.

Hints on filing.

- Do not report more than one calendar quarter on a return.
- Use the preaddressed form mailed to you. If you do not have the form, get one from the IRS in time to file the return when due.
- If you use a form that is not preaddressed, show your name and EIN on it. Be sure that they are exactly as they appeared on earlier returns.
- See the Instructions for Form 941 for information on preparing the form.

Final return. If you go out of business, you must file a final return for the last quarter in which wages are paid. If you continue to pay wages or other compensation for quarters following termination of your business, you must file returns for those quarters. See the Instructions for Form 941 for details on how to file a final return.

Note. If you are required to file a final Form 941, you are also required to furnish Forms W-2 to your employees by the due date of your final Form 941. File Forms W-2 and W-3 with the SSA by the last day of the month that follows the due date of your final Form 941. Do not send an original or copy of Form 941 to the SSA. See the Instructions for Forms W-2 and W-3 for more information.

Filing late Forms 941 for prior years. If possible, get a copy of Form 941 (and separate instructions) with a revision date showing the year for which your delinquent return is being filed. See *Quick and Easy Access to IRS Tax Help and Tax Products* on page 68 for various ways to secure any necessary forms and instructions. Contact the IRS at 1-800-829-4933 if you have any questions.

Table 3. Social Security and Medicare Tax Rates (For 3 prior years)

Calendar Year	Wage Base Limit (each employee)	Tax Rate on Taxable Wages and Tips
2005–Social Security	\$90,000	12.4%
2005–Medicare	All Wages	2.9%
2004–Social Security	\$87,900	12.4%
2004–Medicare	All Wages	2.9%
2003–Social Security	\$87,000	12.4%
2003–Medicare	All Wages	2.9%

Reconciling Forms W-2, W-3, and 941. When there are discrepancies between Forms 941 filed with the IRS and Forms W-2 and W-3 filed with the SSA, the IRS must contact you to resolve the discrepancies. This costs time and money for the Government and for you.

To help reduce discrepancies:

1. Report bonuses as wages and as social security and Medicare wages on Forms W-2 and 941,
2. Report both social security and Medicare wages and taxes separately on Forms W-2, W-3, and 941,
3. Report employee share of social security taxes on Form W-2 in the box for social security tax withheld (box 4), not as social security wages,
4. Report employee share of Medicare taxes on Form W-2 in the box for Medicare tax withheld (box 6), not as Medicare wages,
5. Make sure the social security wage amount for each employee does not exceed the annual social security wage base limit (for example, \$90,000 for 2005),
6. Do not report noncash wages that are not subject to social security or Medicare taxes as social security or Medicare wages,
7. If you used an EIN on any Form 941 for the year that is different from the EIN reported on Form W-3, enter the other EIN on Form W-3 in the box for "Other EIN used this year,"
8. Be sure that the amounts on Form W-3 are the total of amounts from Forms W-2, and
9. Reconcile Form W-3 with your four quarterly Forms 941 by comparing amounts reported for:
 - a. Income tax withholding;
 - b. Social security wages, social security tips, and Medicare wages and tips. Form W-3 should include Form 941 adjustments only for the current year (that is, if the Form 941 adjustments include amounts for a prior year, do not report those prior year adjustments on the current-year Forms W-2 and W-3);
 - c. Social security and Medicare taxes. The amounts shown on the four quarterly Forms 941, including

current-year adjustments, should be approximately twice the amounts shown on Form W-3. This is because Form 941 includes both the employer and employee shares of social security and Medicare taxes; and

- d. Advance earned income credit (EIC).

Do not report on Form 941 backup withholding or income tax withholding on nonpayroll payments such as pensions, annuities, and gambling winnings. Nonpayroll withholding must be reported on Form 945, Annual Return of Withheld Federal Income Tax. See the separate Instructions for Form 945 for details. Income tax withholding required to be reported on Forms 1099 or W-2G must be reported on Form 945. Only taxes and withholding properly reported on Form W-2 should be reported on Form 941.

Amounts reported on Forms W-2, W-3, and 941 may not match for valid reasons. If they do not match, you should determine that the reasons are valid. Keep your reconciliation so that you will have a record of why amounts did not match in case there are inquiries from the IRS or the SSA. See the Instructions for Schedule D (Form 941) if you need to explain any discrepancies that were caused by an acquisition, statutory merger, or consolidation.

13. Reporting Adjustments on Form 941

There are two types of adjustments reported on Form 941: current period adjustments and prior period adjustments to correct errors. See the Instructions for Form 941 and the Instructions for Form 941c, Supporting Statement to Correct Information, for more information on how to report these adjustments.

Current Period Adjustments

In certain cases, amounts reported as social security and Medicare taxes in column 2 of lines 5a, 5b, and 5c of Form 941 must be adjusted to arrive at your correct tax liability (for example, excluding amounts withheld by a third-party payer or amounts you were not required to withhold). Current period adjustments are reported on lines 7a, 7b, and 7c of Form 941 and include the following:

Adjustment of tax on tips. If, by the 10th of the month after the month you received an employee's report on tips, you do not have enough employee funds available to withhold the employee's share of social security and Medicare taxes, you no longer have to collect it. However, report the entire amount of these tips on lines 5b (social security tips) and 5c (Medicare wages and tips). Include as a negative adjustment on line 7c the total uncollected employee share of the social security and Medicare taxes.

Adjustment of tax on group-term life insurance premiums paid for former employees. The employee share of social security and Medicare taxes on group-term life insurance over \$50,000 for a former employee is paid by the former employee with his or her tax return and is not collected by the employer. However, include all social security and Medicare taxes for such coverage on lines 5a and 5c (social security and Medicare taxes), and back out the amount of the employee share of these taxes as a

negative adjustment on line 7c. See Publication 15-B for more information on group-term life insurance.

Adjustment of tax on third-party sick pay. Report both the employer and employee shares of social security and Medicare taxes for sick pay on lines 5a and 5c of Form 941. Show as a negative adjustment on line 7b the social security and Medicare taxes withheld on sick pay by a third-party payer. See section 6 of Publication 15-A for more information.

Fractions-of-cents adjustment. If there is a small difference between total taxes after adjustment for advance EIC (line 10) and total deposits (line 11), it may have been caused, all or in part, by rounding to the nearest cent each time you computed payroll. This rounding occurs when you figure the amount of social security and Medicare tax to be withheld and deposited from each employee's wages. IRS refers to rounding differences relating to employee withholding of social security and Medicare taxes as "fractions-of-cents" adjustments. (If you pay your taxes with Form 941 instead of making deposits because your total taxes for the quarter are less than \$2,500, you also may report a fractions-of-cents adjustment.)

To determine if you have a fractions-of-cents adjustment, multiply the total wages and tips for the quarter subject to:

- Social security tax (reported on lines 5a, column 1, and 5b, column 1) by 6.2% (.062) and
- Medicare tax (reported on line 5c, column 1) by 1.45% (.0145).

Compare these amounts (the employee share of social security and Medicare taxes) with the total social security and Medicare taxes actually withheld from employees for the quarter (from your payroll records). The difference, positive or negative, is your fractions-of-cents adjustment to be reported on line 7a. If the actual amount withheld is less, report a negative adjustment in parentheses (if possible) in the entry space. If the actual amount is more, report a positive adjustment.

Note. For the above adjustments, prepare and retain a brief supporting statement explaining the nature and amount of each. Do not attach the statement to Form 941.

Example of reporting current period adjustments. Cedar, Inc. was entitled to the following current period adjustments.

- **Third-party sick pay.** Cedar, Inc. included taxes of \$2,000 for sick pay on lines 5a, column 2 and 5c, column 2 for social security and Medicare taxes. However, the third-party payer of the sick pay with-

held and paid the employee share (\$1,000) of these taxes. Cedar, Inc. is entitled to a \$1,000 sick pay adjustment (negative) on line 7b.

- **Fractions of cents.** Cedar, Inc. determined that the amounts withheld and deposited for social security and Medicare taxes during the quarter were a net \$1.44 more than the employee share of the amount figured on lines 5a, column 2, 5b, column 2, and 5c, column 2 (social security and Medicare taxes). This difference was caused by adding or dropping fractions of cents when figuring social security and Medicare taxes for each wage payment. Cedar, Inc. must report a positive \$1.44 fractions-of-cents adjustment on line 7a.
- **Life insurance premiums.** Cedar, Inc. paid group-term life insurance premiums for policies in excess of \$50,000 for former employees. The former employees must pay the employee share of the social security and Medicare taxes (\$200) on the policies. However, Cedar, Inc. must include the employee share of these taxes with the social security and Medicare taxes reported on lines 5a, column 2 and 5c, column 2 of Form 941. Therefore, Cedar, Inc. is entitled to a negative \$200 adjustment on line 7c.

Cedar, Inc. reported these adjustments on line 7 of Form 941 as shown in the *Current Period Adjustment Example* below.

Note. Do not make any changes to your record of federal tax liability reported on line 15 or Schedule B (Form 941) for current period adjustments. The amounts reported on the record reflect the actual amounts you withheld from employees' wages for social security and Medicare taxes. Because the current period adjustments make the amounts reported on lines 5a, column 2, 5b, column 2, and 5c, column 2 of Form 941 equal the actual amounts you withheld (the amounts reported on the record), no additional changes to the record of federal tax liability are necessary for these adjustments.

Prior Period Adjustments

Generally, you can correct errors on prior period Forms 941 by making an adjustment on your Form 941 for the quarter during which the error was discovered. For example, if you made an error in reporting social security tax on your second quarter 2005 Form 941 and discovered the error during March 2006, correct the error by making an adjustment on your first quarter 2006 Form 941.

Current Period Adjustment Example

7 Tax adjustments (If your answer is a negative number, write it in brackets.):

7a Current quarter's fractions of cents	1.44
7b Current quarter's sick pay	(1000.00)
7c Current quarter's adjustments for tips and group-term life insurance	(200.00)
7d Current year's income tax withholding (Attach Form 941c)	▪
7e Prior quarter's social security and Medicare taxes (Attach Form 941c)	▪
7f Special additions to federal income tax (reserved use)	▪
7g Special additions to social security and Medicare (reserved use)	▪
7h Total adjustments (Combine all amounts: lines 7a through 7g.) 7h	(1198.56)

The adjustment increases or decreases your tax liability for the quarter in which it is reported (that is, the quarter the error is discovered) and is interest free. The net adjustments reported on Form 941 may include any number of corrections for one or more previous quarters, including both overpayments and underpayments.

You are required to provide background information and certifications supporting prior quarter adjustments. File with Form 941 a Form 941c, Supporting Statement To Correct Information, or attach a statement that shows:

- What the error was,
- Quarter in which the error was made,
- The amount of the error for each quarter,
- Date on which you found the error,
- That you repaid the employee tax or received from each affected employee a written consent to this refund or credit, if the entry corrects an overcollection, and
- If the entry corrects social security and Medicare taxes overcollected in an earlier year, that you received from the employee a written statement that he or she will not claim a refund or credit for the amount.

Do not file Form 941c separately. The IRS will not be able to process your adjustments on Form 941 without this supporting information. See the instructions for Form 941c for more information.

Income tax withholding adjustments. Correct prior quarter income tax withholding errors by making an adjustment on line 7d of Form 941 for the quarter during which you discovered the error.

Note. You may make an adjustment to correct income tax withholding errors only for quarters during the same calendar year. This is because the employee uses the amount shown on Form W-2 as a credit when filing his or her income tax return (Form 1040, etc.).

You cannot adjust amounts reported as income tax withheld in a prior calendar year unless it is to correct an administrative error. An administrative error occurs if the amount you entered on Form 941 is not the amount you

actually withheld. For example, if the total income tax actually withheld was incorrectly reported on Form 941 due to a mathematical or transposition error, this would be an administrative error. The administrative error adjustment corrects the amount reported on Form 941 to agree with the amount actually withheld from employees.

Social security and Medicare tax adjustments. Correct prior quarter social security and Medicare tax errors by making an adjustment on line 7e of Form 941 for the quarter during which you discovered the error. You may report adjustments on the current quarter Form 941 for previous quarters in the current and prior years.

Reporting prior quarter adjustments on the record of federal tax liability. Adjustments to correct errors in prior quarters must be taken into account on either Form 941, line 15, or on Schedule B (Form 941), Report of Tax Liability for Semiweekly Schedule Depositors.

If the adjustment corrects an underreported liability in a prior quarter, report the adjustment on the entry space corresponding to the date the error was discovered. If the adjustment corrects an overreported liability, use the adjustment amount as a credit to offset subsequent liabilities until it is used up.

Example of reporting prior period adjustments. Elm Co., a monthly schedule depositor, discovered on January 7, 2006, that it overreported social security tax on a prior quarter return by \$5,000. Its total tax liabilities for the first quarter of 2006 were: January—\$4,500, February—\$4,500, and March—\$4,500. Elm Co. completed line 15 of Form 941 as shown in the *Prior Period Adjustment Example* below.

The adjustment for the \$5,000 overreported liability offset the January liability, so the \$4,500 liability was not deposited and a “-0-” liability was reported on line 15, Month 1. The remaining \$500 of the \$5,000 adjustment credit was used to partially offset the liability for February, so only \$4,000 of the \$4,500 liability was deposited and reported on line 15, Month 2.

Filing a claim for overreported prior period liabilities. If you discover an error on a prior quarter return resulting in a tax overpayment, you may file Form 843, Claim for Refund and Request for Abatement, for a refund. This form also can be used to request an abatement of an overassessment of employment taxes, interest, and/or penalties.

Prior Period Adjustment Example

15 Check one: ☐ Line 10 is less than \$2,500, go to Part 3.

☒ You were a monthly schedule depositor for the entire quarter and line 10 is \$2,500 or more, fill out the tax liability for each month. Then go to Part 3.

Tax liability: Month 1	-0- ■
Month 2	4000.00
Month 3	4500.00
Total	8500.00

Total must equal line 10.

☐ You were a semiweekly schedule depositor for any part of this quarter. Fill out Schedule B (Form 941): Report of Tax Liability for Semiweekly Schedule Depositors and attach it to this form.

You must file Form 941c, or an equivalent statement, with Form 843. See the separate Instructions for Form 843.

Collecting underwithheld taxes from employees. If you withheld no income, social security, or Medicare taxes or less than the right amount from an employee's wages, you can make it up from later pay to that employee. But you are the one who owes the underpayment. Reimbursement is a matter for settlement between you and the employee. Underwithheld income tax must be recovered from the employee on or before the last day of the calendar year. There are special rules for tax on tips (see section 6) and fringe benefits (see section 5).

Refunding amounts incorrectly withheld from employees. If you withheld more than the right amount of income, social security, or Medicare taxes from wages paid, give the employee the excess. Any excess income tax withholding must be reimbursed to the employee before the end of the calendar year in which it was withheld. Keep in your records the employee's written receipt showing the date and amount of the repayment. If you do not have a receipt, you must report and pay each excess amount when you file Form 941 for the quarter in which you withheld too much tax.

Correcting filed Forms W-2 and W-3. When adjustments are made to correct social security and Medicare taxes because of a change in the wage totals reported for a previous year, you also may need to file Form W-2c, Corrected Wage and Tax Statement, and Form W-3c, Transmittal of Corrected Wage and Tax Statements, with the SSA. Up to five Forms W-2c per Form W-3c (50 Forms W-3c maximum) may be filed over the Internet. For more information, visit the Social Security Administration's Employer Reporting Instructions and Information webpage at www.socialsecurity.gov/employer.

Special additions to tax liability. The revised Form 941 includes new lines (lines 7f and 7g) to report special additions to federal income tax and social security and Medicare tax. However, these lines are specifically reserved for special circumstances and are to be used only if the IRS sends the employer a notice instructing the employer to use them.

Wage Repayments

If an employee repays you for wages received in error, do not offset the repayments against current-year wages unless the repayments are for amounts received in error in the current year.

Repayment of current year wages. If you receive repayments for wages paid during a prior quarter in the current year, report adjustments on Form 941 to recover income tax withholding and social security and Medicare taxes for the repaid wages (as discussed earlier). Report the adjustments on Form 941 for the quarter during which the repayment occurred.

Repayment of prior year wages. If you receive repayments for wages paid during a prior year, report an adjustment on the Form 941 for the quarter during which the repayment was made to recover the social security and Medicare taxes. Instead of making an adjustment on Form 941, you may file a claim for these taxes using Form 843. You may not make an adjustment for income tax

withholding because the wages were paid during a prior year.

You also must file Forms W-2c and W-3c with the SSA to correct social security and Medicare wages and taxes. Do not correct wages (box 1) on Form W-2c for the amount paid in error. Give a copy of Form W-2c to the employee.

Note. The wages paid in error in the prior year remain taxable to the employee for that year. This is because the employee received and had use of those funds during that year. The employee is not entitled to file an amended return (Form 1040X) to recover the income tax on these wages. Instead, the employee is entitled to a deduction (or credit in some cases) for the repaid wages on his or her income tax return for the year of repayment.

14. Federal Unemployment (FUTA) Tax

The Federal Unemployment Tax Act (FUTA), with state unemployment systems, provides for payments of unemployment compensation to workers who have lost their jobs. Most employers pay both a federal and a state unemployment tax. A list of state unemployment tax agencies, including addresses and phone numbers, is available in Publication 926, Household Employer's Tax Guide. Only the employer pays FUTA tax; it is not withheld from the employee's wages. For more information, see the Instructions for Form 940.

Note. Services rendered after December 20, 2000, to a federally recognized Indian tribal government (or any subdivision, subsidiary, or business wholly owned by such an Indian tribe) are exempt from FUTA tax, subject to the tribe's compliance with state law. For more information, see Code section 3309(d).

Use the following three tests to determine whether you must pay FUTA tax. Each test applies to a different category of employee, and each is independent of the others. If a test describes your situation, you are subject to FUTA tax on the wages that you pay to employees in that category during the current calendar year.

1. General test.

You are subject to FUTA tax in 2006 on the wages that you pay employees who are not farmworkers or household workers if in the current or preceding calendar year:

- a. You paid wages of \$1,500 or more in any calendar quarter in 2005 or 2006 or
- b. You had one or more employees for at least some part of a day in any 20 or more different weeks in 2005 or 20 or more different weeks in 2006.

2. Household employees test.

You are subject to FUTA tax only if you paid total cash wages of \$1,000 or more (for all household employees) in any calendar quarter in 2005 or 2006. A household worker is an employee who performs household work in a private home, local college club, or local fraternity or sorority chapter.

3. Farmworkers test.

You are subject to FUTA tax on the wages that you pay to farmworkers if:

- a. You paid cash wages of \$20,000 or more to farmworkers during any calendar quarter in 2005 or 2006 or
- b. You employed 10 or more farmworkers during at least some part of a day (whether or not at the same time) during any 20 or more different weeks in 2005 or 20 or more different weeks in 2006.

Computing FUTA tax. For 2005 and 2006, the FUTA tax rate is 6.2%. The tax applies to the first \$7,000 that you pay to each employee as wages during the year. The \$7,000 is the federal wage base. Your state wage base may be different. Generally, you can take a credit against your FUTA tax for amounts that you paid into state unemployment funds. This credit cannot be more than 5.4% of taxable wages. If you are entitled to the maximum 5.4% credit, the FUTA tax rate after the credit is 0.8%.

Successor employer. If you acquired a business from an employer who was liable for FUTA tax, you may be able to count the wages that employer paid to the employees who continue to work for you when you figure the \$7,000 FUTA wage base. See the Instructions for Form 940.

Depositing FUTA tax. For deposit purposes, figure FUTA tax quarterly. Determine your FUTA tax liability by multiplying the amount of wages paid during the quarter by .008 (0.8%). Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in wages for the calendar year. If any part of the wages subject to FUTA is exempt from state unemployment tax, you may have to deposit more than the tax using the 0.8% rate. For example, in certain states, wages paid to corporate officers, certain payments of sick pay by unions, and certain fringe benefits, are exempt from state unemployment tax.

If your FUTA tax liability for a quarter is \$500 or less, you do not have to deposit the tax. Instead, you may carry it forward and add it to the liability figured in the next quarter to see if you must make a deposit. If your FUTA tax liability for any calendar quarter in 2006 is over \$500 (including any FUTA tax carried forward from an earlier quarter), you must deposit the tax by electronic funds transfer (EFTPS) or in an authorized financial institution using Form 8109, Federal Tax Deposit Coupon. See section 11 for information on these two deposit methods.

Note. You are not required to deposit FUTA taxes for household employees unless you report their wages on Form 941 or Form 943. See Publication 926, Household Employer's Tax Guide, for more information.

When to deposit. Deposit the FUTA tax by the last day of the first month that follows the end of the quarter. If the

due date (below) for making your deposit falls on a Saturday, Sunday, or legal holiday, you may make your deposit on the next business day.

If your liability for the fourth quarter (plus any undeposited amount from any earlier quarter) is over \$500, deposit the entire amount by the due date of Form 940 or Form 940-EZ (January 31). If it is \$500 or less, you can either make a deposit or pay the tax with your Form 940 or Form 940-EZ by January 31.

Table 4. When To Deposit FUTA Taxes

Quarter	Ending	Due Date
Jan.–Feb.–Mar.	Mar. 31	Apr. 30
Apr.–May–June	June 30	July 31
July–Aug.–Sept.	Sept. 30	Oct. 31
Oct.–Nov.–Dec.	Dec. 31	Jan. 31

Reporting FUTA tax. Use Form 940 or Form 940-EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return, to report FUTA tax. **File Form 940 or Form 940-EZ by January 31.** However, if you deposited all FUTA tax when due, you may file on or before February 10. The IRS will mail a preaddressed Form 940 or Form 940-EZ to you if you filed a return for the year before. If you do not receive Form 940 or Form 940-EZ, you can get a form by calling 1-800-TAX-FORM (1-800-829-3676).

Form 940-EZ requirements. You may be able to use Form 940-EZ for 2005 instead of Form 940 if (a) you paid unemployment taxes ("contributions") to only one state, (b) you paid state unemployment taxes by the due date of Form 940 or Form 940-EZ, (c) all wages that were taxable for FUTA tax purposes were also taxable for your state's unemployment tax, and (d) you did not make contributions to a credit reduction state. For example, if you paid wages to corporate officers (these wages are subject to FUTA tax) in a state that exempts these wages from its unemployment taxes, you cannot use Form 940-EZ.

Household employees. If you did not report employment taxes for household employees on Form 941 or Form 943, report FUTA tax for these employees on Schedule H (Form 1040), Household Employment Taxes. See Publication 926 for more information. You must have an EIN to file Schedule H (Form 1040). See section 1.

Electronic filing by Reporting Agents. Reporting agents filing Forms 940 for groups of taxpayers can file them electronically. See the *Reporting Agent* discussion in section 7 of Publication 15-A, Employer's Supplemental Tax Guide, for more information.

15. Special Rules for Various Types of Services and Payments

(Section references are to the Internal Revenue Code unless otherwise noted.)

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Aliens, nonresident.	See page 14 and Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Publication 519, U.S. Tax Guide for Aliens.		
Aliens, resident: 1. Service performed in the U.S. 2. Service performed outside U.S.	Same as U.S. citizen. Withhold	Same as U.S. citizen. (Exempt if any part of service as crew member of foreign vessel or aircraft is performed outside U.S.) Taxable if (1) working for an American employer or (2) an American employer by agreement covers U.S. citizens and residents employed by its foreign affiliates.	Same as U.S. citizen. Exempt unless on or in connection with an American vessel or aircraft and either performed under contract made in U.S., or alien is employed on such vessel or aircraft when it touches U.S. port.
Cafeteria plan benefits under section 125.	If employee chooses cash, subject to all employment taxes. If employee chooses another benefit, the treatment is the same as if the benefit was provided outside the plan. See Publication 15-B for more information.		
Deceased worker: 1. Wages paid to beneficiary or estate in same calendar year as worker's death. See Instructions for Forms W-2 and W-3 for details. 2. Wages paid to beneficiary or estate after calendar year of worker's death.	Exempt Exempt	Taxable Exempt	Taxable Exempt
Dependent care assistance programs (limited to \$5,000; \$2,500 if married filing separately).	Exempt to the extent that it is reasonable to believe that amounts are excludable from gross income under section 129.		
Disabled worker's wages paid after year in which worker became entitled to disability insurance benefits under the Social Security Act.	Withhold	Exempt, if worker did not perform any service for employer during period for which payment is made.	Taxable
Employee business expense reimbursement: 1. Accountable plan. a. Amounts not exceeding specified government rate for per diem or standard mileage. b. Amounts in excess of specified government rate for per diem or standard mileage. 2. Nonaccountable plan. See page 10 for details.	Exempt Withhold Withhold	Exempt Taxable Taxable	Exempt Taxable Taxable
Family employees: 1. Child employed by parent (or partnership in which each partner is a parent of the child). 2. Parent employed by child. 3. Spouse employed by spouse. See section 3 for more information.	Withhold Withhold Withhold	Exempt until age 18; age 21 for domestic service. Taxable if in course of the son's or daughter's business. For domestic services, see section 3. Taxable if in course of spouse's business.	Exempt until age 21 Exempt Exempt
Fishing and related activities.	See Publication 595, Tax Highlights for Commercial Fishermen.		
Foreign governments and international organizations.	Exempt	Exempt	Exempt

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Foreign service by U.S. citizens: 1. As U.S. government employee. 2. For foreign affiliates of American employers and other private employers.	Withhold Exempt if at time of payment (1) it is reasonable to believe employee is entitled to exclusion from income under section 911 or (2) the employer is required by law of the foreign country to withhold income tax on such payment.	Same as within U.S. Exempt unless (1) an American employer by agreement covers U.S. citizens employed by its foreign affiliates or (2) U.S. citizen works for American employer.	Exempt Exempt unless (1) on American vessel or aircraft and work is performed under contract made in U.S. or worker is employed on vessel when it touches U.S. port or (2) U.S. citizen works for American employer (except in a contiguous country with which the U.S. has an agreement for unemployment compensation) or in the U.S. Virgin Islands.
Homeworkers (industrial, cottage industry): 1. Common law employees. 2. Statutory employees. See page 7 for details.	Withhold Exempt	Taxable Taxable if paid \$100 or more in cash in a year.	Taxable Exempt
Hospital employees: 1. Interns 2. Patients	Withhold Withhold	Taxable Taxable (Exempt for state or local government hospitals.)	Exempt Exempt
Household employees: 1. Domestic service in private homes. Farmers, see Publication 51 (Circular A). 2. Domestic service in college clubs, fraternities, and sororities.	Exempt (withhold if both employer and employee agree). Exempt (withhold if both employer and employee agree).	Taxable if paid \$1,500 or more in cash in 2006. Exempt if performed by an individual under age 18 during any portion of the calendar year and is not the principal occupation of the employee. Exempt if paid to regular student; also exempt if employee is paid less than \$100 in a year by an income-tax-exempt employer.	Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year. Taxable if employer paid total cash wages of \$1,000 or more in any quarter in the current or preceding calendar year.
Insurance for employees: 1. Accident and health insurance premiums under a plan or system for employees and their dependents generally or for a class or classes of employees and their dependents. 2. Group-term life insurance costs. See Publication 15-B for details.	Exempt (except 2% shareholder-employees of S corporations). Exempt	Exempt Exempt, except for the cost of group-term life insurance that is includible in the employee's gross income. (Special rules apply for former employees.)	Exempt Exempt
Insurance agents or solicitors: 1. Full-time life insurance salesperson. 2. Other salesperson of life, casualty, etc., insurance.	Withhold only if employee under common law. See page 7. Withhold only if employee under common law.	Taxable Taxable only if employee under common law.	Taxable if (1) employee under common law and (2) not paid solely by commissions. Taxable if (1) employee under common law and (2) not paid solely by commissions.

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Interest on loans with below-market interest rates (foregone interest and deemed original issue discount).	See Publication 15-A.		
Leave-sharing plans: Amounts paid to an employee under a leave-sharing plan.	Withhold	Taxable	Taxable
Newspaper carriers and vendors: Newspaper carriers under age 18; newspaper and magazine vendors buying at fixed prices and retaining receipts from sales to customers. See Publication 15-A for information on statutory nonemployee status.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
Noncash payments: 1. For household work, agricultural labor, and service not in the course of the employer's trade or business. 2. To certain retail commission salespersons ordinarily paid solely on a cash commission basis.	Exempt (withhold if both employer and employee voluntarily agree).	Exempt	Exempt
	Optional with employer.	Taxable	Taxable
Nonprofit organizations.	See Publication 15-A.		
Officers or shareholders of an S Corporation. Distributions and other payments by an S corporation to a corporate officer or shareholder must be treated as wages to the extent the amounts are reasonable compensation for services to the corporation by an employee. (See the Instructions for Form 1120S.)	Withhold	Taxable	Taxable
Partners: Payments to general or limited partners of a partnership. (See Publication 541, Partnerships, for partner reporting rules.)	Exempt	Exempt	Exempt
Railroads: Payments subject to the Railroad Retirement Act.	Withhold	Exempt	Exempt
Religious exemptions.	See Publication 15-A and Pub. 517, Social Security and Other Information for Members of the Clergy and Religious Workers.		
Retirement and pension plans: 1. Employer contributions to a qualified plan. 2. Elective employee contributions and deferrals to a plan containing a qualified cash or deferred compensation arrangement (for example, 401(k)). 3. Employer contributions to individual retirement accounts under simplified employee pension plan (SEP). 4. Employer contributions to section 403(b) annuities. 5. Employee salary reduction contributions to a SIMPLE retirement account. 6. Distributions from qualified retirement and pension plans and section 403(b) annuities. See Publication 15-A for information on pensions, annuities, and employer contributions to nonqualified deferred compensation arrangements.	Exempt	Exempt	Exempt
	Generally exempt, but see section 402(g) for limitation.	Taxable	Taxable
	Generally exempt, but see section 402(g) for salary reduction SEP limitation.	Exempt, except for amounts contributed under a salary reduction SEP agreement.	
	Generally exempt, but see section 402(g) for limitation.	Taxable if paid through a salary reduction agreement (written or otherwise).	
	Exempt	Taxable	Taxable
	Withhold, but recipient may elect exemption on Form W-4P in certain cases; mandatory 20% withholding applies to an eligible rollover distribution that is not a direct rollover; exempt for direct rollover. See Publication 15-A.	Exempt	Exempt
Salespersons: 1. Common law employees. 2. Statutory employees. 3. Statutory nonemployees (qualified real estate agents, direct sellers, and certain companion sitters). See Pub. 15-A for details.	Withhold	Taxable Taxable	Taxable Taxable, except for full-time life insurance sales agents.
	Exempt		
	Exempt	Exempt	Exempt
Scholarships and fellowship grants: (includible in income under section 117(c)).	Withhold	Taxability depends on the nature of the employment and the status of the organization. See <i>Students</i> on next page.	

Special Classes of Employment and Special Types of Payments	Treatment Under Employment Taxes		
	Income Tax Withholding	Social Security and Medicare	Federal Unemployment
Severance or dismissal pay.	Withhold	Taxable	Taxable
Service not in the course of the employer's trade or business, other than on a farm operated for profit or for household employment in private homes.	Withhold only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.	Taxable if employee receives \$100 or more in cash in a calendar year.	Taxable only if employee earns \$50 or more in cash in a quarter and works on 24 or more different days in that quarter or in the preceding quarter.
Sick pay. (See Publication 15-A for more information.)	Withhold	Exempt after end of 6 calendar months after the calendar month employee last worked for employer.	
State/local governments and political subdivisions, employees of: 1. Salaries and wages. (Includes payments to most elected and appointed officials. See chapter 3 of Publication 963, Federal-State Reference Guide.) 2. Election workers. Election workers are individuals who are employed to perform services for state or local governments at election booths in connection with national, state or local elections. Note. File Form W-2 for payments of \$600 or more even if no social security or Medicare taxes were withheld.	Withhold	Taxable (1) for services performed by employees who are either (a) covered under a section 218 agreement or (b) not a member of a public retirement system, and (2) (for Medicare tax only) for employees hired after 3/31/86 who are members of a public retirement system not covered by a section 218 social security agreement. See Publication 963.	Exempt
	Exempt	Taxable if paid \$1,300 or more in 2006 (lesser amount if specified by a section 218 social security agreement).	Exempt
Students, scholars, trainees, teachers, etc.: 1. Student enrolled and regularly attending classes, performing services for: a. Private school, college, or university. b. Auxillary nonprofit organization operated for and controlled by school, college, or university. c. Public school, college, or university. 2. Full-time student performing service for academic credit, combining instruction with work experience as an integral part of the program. 3. Student nurse performing part-time services for nominal earnings at hospital as incidental part of training. 4. Student employed by organized camps. 5. Student, scholar, trainee, teacher, etc., as nonimmigrant alien under section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act (that is, aliens holding F-1, J-1, M-1, or Q-1 visas).	Withhold	Exempt	Exempt
	Withhold	Exempt unless services are covered by a section 218 (Social Security Act) agreement	Exempt
	Withhold	Exempt unless services are covered by a section 218 (Social Security Act) agreement	Exempt
	Withhold	Taxable	Exempt unless program was established for or on behalf of an employer or group of employers.
	Withhold	Exempt	Exempt
	Withhold	Taxable	Exempt
	Withhold unless excepted by regulations.	Exempt if service is performed for purpose specified in section 101(a)(15)(F), (J), (M), or (Q) of Immigration and Nationality Act. However, these taxes may apply if the employee becomes a resident alien. See the special residency tests for exempt individuals in chapter 1 of Publication 519.	
Supplemental unemployment compensation plan benefits.	Withhold	Exempt under certain conditions. See Publication 15-A.	
Tips: 1. If \$20 or more in a month. 2. If less than \$20 in a month. See section 6 for more information.	Withhold	Taxable	Taxable for all tips reported in writing to employer.
	Exempt	Exempt	Exempt
Worker's compensation.	Exempt	Exempt	Exempt

16. How To Use the Income Tax Withholding and Advance Earned Income Credit (EIC) Payment Tables

Income Tax Withholding

There are several ways to figure income tax withholding. The following methods of withholding are based on the information that you get from your employees on Form W-4, Employee's Withholding Allowance Certificate. See section 9 for more information on Form W-4.

Wage Bracket Method

Under the wage bracket method, find the proper table (on pages 38-57) for your payroll period and the employee's marital status as shown on his or her Form W-4. Then, based on the number of withholding allowances claimed on the Form W-4 and the amount of wages, find the amount of federal tax to withhold. If your employee is claiming more than 10 withholding allowances, see below.

Note. If you cannot use the wage bracket tables because wages exceed the amount shown in the last bracket of the table, use the percentage method of withholding described below. Be sure to reduce wages by the amount of total withholding allowances in Table 5 on this page before using the percentage method tables (pages 36-37).

Adjusting wage bracket withholding for employees claiming more than 10 withholding allowances. The wage bracket tables can be used if an employee claims up to 10 allowances. More than 10 allowances may be claimed because of the special withholding allowance, additional allowances for deductions and credits, and the system itself.

Adapt the tables to more than 10 allowances as follows:

1. Multiply the number of withholding allowances over 10 by the allowance value for the payroll period. (The allowance values are in *Table 5, Percentage Method—2006 Amount for One Withholding Allowance* later.)
2. Subtract the result from the employee's wages.
3. On this amount, find and withhold the tax in the column for 10 allowances.

This is a voluntary method. If you use the wage bracket tables, you may continue to withhold the amount in the "10" column when your employee has more than 10 allowances, using the method above. You can also use any other method described below.

Percentage Method

If you do not want to use the wage bracket tables on pages 38 through 57 to figure how much income tax to withhold, you can use a percentage computation based on Table 5 below and the appropriate rate table. This method works

for any number of withholding allowances the employee claims and any amount of wages.

Use these steps to figure the income tax to withhold under the percentage method.

1. Multiply one withholding allowance for your payroll period (see Table 5 below) by the number of allowances that the employee claims.
2. Subtract that amount from the employee's wages.
3. Determine the amount to withhold from the appropriate table on page 36 or 37.

Table 5. Percentage Method—2006 Amount for One Withholding Allowance

Payroll Period	One Withholding Allowance
Weekly	\$ 63.46
Biweekly	126.92
Semimonthly	137.50
Monthly	275.00
Quarterly	825.00
Semiannually	1,650.00
Annually	3,300.00
Daily or miscellaneous (each day of the payroll period)	12.69

Example: An unmarried employee is paid \$600 weekly. This employee has in effect a Form W-4 claiming two withholding allowances. Using the percentage method, figure the income tax to withhold as follows:

1. Total wage payment \$600.00
2. One allowance \$63.46
3. Allowances claimed on Form W-4 2
4. Multiply line 2 by line 3 \$126.92
5. Amount subject to withholding (subtract line 4 from line 1) \$473.08
6. Tax to be withheld on \$473.08 from Table 1—single person, page 36 \$ 56.26

To figure the income tax to withhold, you may reduce the last digit of the wages to zero, or figure the wages to the nearest dollar.

Annual income tax withholding. Figure the income tax to withhold on annual wages under the *Percentage Method* for an annual payroll period. Then prorate the tax back to the payroll period.

Example. A married person claims four withholding allowances. She is paid \$1,000 a week. Multiply the weekly wages by 52 weeks to figure the annual wage of \$52,000. Subtract \$13,200 (the value of four withholding allowances for 2006) for a balance of \$38,800. Using the table for the annual payroll period on page 37, \$3,875 is withheld. Divide the annual tax by 52. The weekly income tax to withhold is \$74.52.

Alternative Methods of Income Tax Withholding

Rather than the *Wage Bracket Method* or *Percentage Method* described above, you can use an alternative method to withhold income tax. Publication 15-A, Employer's Supplemental Tax Guide, describes these alternative methods and contains:

- Formula tables for percentage method withholding (for automated payroll systems),
- Wage bracket percentage method tables (for automated payroll systems), and
- Combined income, social security, and Medicare tax withholding tables.

Some of the alternative methods explained in Publication 15-A are annualized wages, average estimated wages, cumulative wages, and part-year employment.

Advance Payment Methods for the Earned Income Credit (EIC)

To figure the advance EIC payment, you may use either the *Wage Bracket Method* or the *Percentage Method* as explained below. You may use other methods for figuring advance EIC payments if the amount of the payment is about the same as it would be using tables in this booklet. See the tolerances allowed in the chart in section 9 of Publication 15-A. See also section 10 in this booklet for an explanation of the advance payment of the EIC.

The number of withholding allowances that an employee claims on Form W-4 is not used in figuring the advance EIC payment. Nor does it matter that the employee has claimed exemption from income tax withholding on Form W-4.

Wage Bracket Method

If you use the wage bracket tables on pages 60 through 65, figure the advance EIC payment as follows.

Find the employee's gross wages before any deductions using the appropriate table. There are different tables for (a) single or head of household, (b) married without

spouse filing certificate, and (c) married with both spouses filing certificates. Determine the amount of the advance EIC payment shown in the appropriate table for the amount of wages paid.

Percentage Method

If you do not want to use the wage bracket tables to figure how much to include in an employee's wages for the advance EIC payment, you can use the percentage method based on the appropriate rate table on pages 58 and 59.

Find the employee's gross wages before any deductions in the appropriate table on pages 58 and 59. There are different tables for (a) single or head of household, (b) married without spouse filing certificate, and (c) married with both spouses filing certificates. Find the advance EIC payment shown in the appropriate table for the amount of wages paid.

Whole-Dollar Withholding and Paying Advance EIC (Rounding)

The income tax withholding amounts in the Wage Bracket Tables (pages 38-57) have been rounded to whole-dollar amounts.

When employers use the Percentage Method (pages 36-37) or an alternative method of income tax withholding, the tax for the pay period may be rounded to the nearest dollar.

The Wage Bracket Tables for advance EIC payments (pages 60-65) have also been rounded to whole-dollar amounts. If you use the Tables for Percentage Method of Advance EIC Payments (pages 58-59), the payments may be rounded to the nearest dollar.

Tables for Percentage Method of Withholding (For Wages Paid in 2006)

TABLE 1—WEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$51		\$0		Not over \$154		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$51	—\$192 . .	10%	—\$51	\$154	—\$440 . .	10%	—\$154
\$192	—\$620 . .	\$14.10 plus 15%	—\$192	\$440	—\$1,308 . .	\$28.60 plus 15%	—\$440
\$620	—\$1,409 . .	\$78.30 plus 25%	—\$620	\$1,308	—\$2,440 . .	\$158.80 plus 25%	—\$1,308
\$1,409	—\$3,013 . .	\$275.55 plus 28%	—\$1,409	\$2,440	—\$3,759 . .	\$441.80 plus 28%	—\$2,440
\$3,013	—\$6,508 . .	\$724.67 plus 33%	—\$3,013	\$3,759	—\$6,607 . .	\$811.12 plus 33%	—\$3,759
\$6,508	. . . . .	\$1,878.02 plus 35%	—\$6,508	\$6,607	. . . . .	\$1,750.96 plus 35%	—\$6,607

TABLE 2—BIWEEKLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$102		\$0		Not over \$308		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$102	—\$385 . .	10%	—\$102	\$308	—\$881 . .	10%	—\$308
\$385	—\$1,240 . .	\$28.30 plus 15%	—\$385	\$881	—\$2,617 . .	\$57.30 plus 15%	—\$881
\$1,240	—\$2,817 . .	\$156.55 plus 25%	—\$1,240	\$2,617	—\$4,881 . .	\$317.70 plus 25%	—\$2,617
\$2,817	—\$6,025 . .	\$550.80 plus 28%	—\$2,817	\$4,881	—\$7,517 . .	\$883.70 plus 28%	—\$4,881
\$6,025	—\$13,015 . .	\$1,449.04 plus 33%	—\$6,025	\$7,517	—\$13,213 . .	\$1,621.78 plus 33%	—\$7,517
\$13,015	. . . . .	\$3,755.74 plus 35%	—\$13,015	\$13,213	. . . . .	\$3,501.46 plus 35%	—\$13,213

TABLE 3—SEMIMONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$110		\$0		Not over \$333		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$110	—\$417 . .	10%	—\$110	\$333	—\$954 . .	10%	—\$333
\$417	—\$1,343 . .	\$30.70 plus 15%	—\$417	\$954	—\$2,835 . .	\$62.10 plus 15%	—\$954
\$1,343	—\$3,052 . .	\$169.60 plus 25%	—\$1,343	\$2,835	—\$5,288 . .	\$344.25 plus 25%	—\$2,835
\$3,052	—\$6,527 . .	\$596.85 plus 28%	—\$3,052	\$5,288	—\$8,144 . .	\$957.50 plus 28%	—\$5,288
\$6,527	—\$14,100 . .	\$1,569.85 plus 33%	—\$6,527	\$8,144	—\$14,315 . .	\$1,757.18 plus 33%	—\$8,144
\$14,100	. . . . .	\$4,068.94 plus 35%	—\$14,100	\$14,315	. . . . .	\$3,793.61 plus 35%	—\$14,315

TABLE 4—MONTHLY Payroll Period

(a) SINGLE person (including head of household)—				(b) MARRIED person—			
If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:		If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$221		\$0		Not over \$667		\$0	
Over—	But not over—		of excess over—	Over—	But not over—		of excess over—
\$221	—\$833 . .	10%	—\$221	\$667	—\$1,908 . .	10%	—\$667
\$833	—\$2,687 . .	\$61.20 plus 15%	—\$833	\$1,908	—\$5,670 . .	\$124.10 plus 15%	—\$1,908
\$2,687	—\$6,104 . .	\$339.30 plus 25%	—\$2,687	\$5,670	—\$10,575 . .	\$688.40 plus 25%	—\$5,670
\$6,104	—\$13,054 . .	\$1,193.55 plus 28%	—\$6,104	\$10,575	—\$16,288 . .	\$1,914.65 plus 28%	—\$10,575
\$13,054	—\$28,200 . .	\$3,139.55 plus 33%	—\$13,054	\$16,288	—\$28,629 . .	\$3,514.29 plus 33%	—\$16,288
\$28,200	. . . . .	\$8,137.73 plus 35%	—\$28,200	\$28,629	. . . . .	\$7,586.82 plus 35%	—\$28,629

Tables for Percentage Method of Withholding (Continued)
(For Wages Paid in 2006)

TABLE 5—QUARTERLY Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$663		\$0	
Over—	But not over—	of excess over—	
\$663	—\$2,500	10%	—\$663
\$2,500	—\$8,060	\$183.70 plus 15%	—\$2,500
\$8,060	—\$18,313	\$1,017.70 plus 25%	—\$8,060
\$18,313	—\$39,163	\$3,580.95 plus 28%	—\$18,313
\$39,163	—\$84,600	\$9,418.95 plus 33%	—\$39,163
\$84,600	. . . . .	\$24,413.16 plus 35%	—\$84,600

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,000		\$0	
Over—	But not over—	of excess over—	
\$2,000	—\$5,725	10%	—\$2,000
\$5,725	—\$17,010	\$372.50 plus 15%	—\$5,725
\$17,010	—\$31,725	\$2,065.25 plus 25%	—\$17,010
\$31,725	—\$48,863	\$5,744.00 plus 28%	—\$31,725
\$48,863	—\$85,888	\$10,542.64 plus 33%	—\$48,863
\$85,888	. . . . .	\$22,760.89 plus 35%	—\$85,888

TABLE 6—SEMIANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$1,325		\$0	
Over—	But not over—	of excess over—	
\$1,325	—\$5,000	10%	—\$1,325
\$5,000	—\$16,120	\$367.50 plus 15%	—\$5,000
\$16,120	—\$36,625	\$2,035.50 plus 25%	—\$16,120
\$36,625	—\$78,325	\$7,161.75 plus 28%	—\$36,625
\$78,325	—\$169,200	\$18,837.75 plus 33%	—\$78,325
\$169,200	. . . . .	\$48,826.50 plus 35%	—\$169,200

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$4,000		\$0	
Over—	But not over—	of excess over—	
\$4,000	—\$11,450	10%	—\$4,000
\$11,450	—\$34,020	\$745.00 plus 15%	—\$11,450
\$34,020	—\$63,450	\$4,130.50 plus 25%	—\$34,020
\$63,450	—\$97,725	\$11,488.00 plus 28%	—\$63,450
\$97,725	—\$171,775	\$21,085.00 plus 33%	—\$97,725
\$171,775	. . . . .	\$45,521.50 plus 35%	—\$171,775

TABLE 7—ANNUAL Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$2,650		\$0	
Over—	But not over—	of excess over—	
\$2,650	—\$10,000	10%	—\$2,650
\$10,000	—\$32,240	\$735.00 plus 15%	—\$10,000
\$32,240	—\$73,250	\$4,071.00 plus 25%	—\$32,240
\$73,250	—\$156,650	\$14,323.50 plus 28%	—\$73,250
\$156,650	—\$338,400	\$37,675.50 plus 33%	—\$156,650
\$338,400	. . . . .	\$97,653.00 plus 35%	—\$338,400

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) is:		The amount of income tax to withhold is:	
Not over \$8,000		\$0	
Over—	But not over—	of excess over—	
\$8,000	—\$22,900	10%	—\$8,000
\$22,900	—\$68,040	\$1,490.00 plus 15%	—\$22,900
\$68,040	—\$126,900	\$8,261.00 plus 25%	—\$68,040
\$126,900	—\$195,450	\$22,976.00 plus 28%	—\$126,900
\$195,450	—\$343,550	\$42,170.00 plus 33%	—\$195,450
\$343,550	. . . . .	\$91,043.00 plus 35%	—\$343,550

TABLE 8—DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE person (including head of household)—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$10.20		\$0	
Over—	But not over—	of excess over—	
\$10.20	—\$38.50	10%	—\$10.20
\$38.50	—\$124.00	\$2.83 plus 15%	—\$38.50
\$124.00	—\$281.70	\$15.66 plus 25%	—\$124.00
\$281.70	—\$602.50	\$55.09 plus 28%	—\$281.70
\$602.50	—\$1,301.50	\$144.91 plus 33%	—\$602.50
\$1,301.50	. . . . .	\$375.58 plus 35%	—\$1,301.50

(b) MARRIED person—

If the amount of wages (after subtracting withholding allowances) divided by the number of days in the payroll period is:		The amount of income tax to withhold per day is:	
Not over \$30.80		\$0	
Over—	But not over—	of excess over—	
\$30.80	—\$88.10	10%	—\$30.80
\$88.10	—\$261.70	\$5.73 plus 15%	—\$88.10
\$261.70	—\$488.10	\$31.77 plus 25%	—\$261.70
\$488.10	—\$751.70	\$88.37 plus 28%	—\$488.10
\$751.70	—\$1,321.30	\$162.18 plus 33%	—\$751.70
\$1,321.30	. . . . .	\$350.15 plus 35%	—\$1,321.30

SINGLE Persons—WEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
55	60	1	0	0	0	0	0	0	0	0	0	0
60	65	1	0	0	0	0	0	0	0	0	0	0
65	70	2	0	0	0	0	0	0	0	0	0	0
70	75	2	0	0	0	0	0	0	0	0	0	0
75	80	3	0	0	0	0	0	0	0	0	0	0
80	85	3	0	0	0	0	0	0	0	0	0	0
85	90	4	0	0	0	0	0	0	0	0	0	0
90	95	4	0	0	0	0	0	0	0	0	0	0
95	100	5	0	0	0	0	0	0	0	0	0	0
100	105	5	0	0	0	0	0	0	0	0	0	0
105	110	6	0	0	0	0	0	0	0	0	0	0
110	115	6	0	0	0	0	0	0	0	0	0	0
115	120	7	0	0	0	0	0	0	0	0	0	0
120	125	7	1	0	0	0	0	0	0	0	0	0
125	130	8	1	0	0	0	0	0	0	0	0	0
130	135	8	2	0	0	0	0	0	0	0	0	0
135	140	9	2	0	0	0	0	0	0	0	0	0
140	145	9	3	0	0	0	0	0	0	0	0	0
145	150	10	3	0	0	0	0	0	0	0	0	0
150	155	10	4	0	0	0	0	0	0	0	0	0
155	160	11	4	0	0	0	0	0	0	0	0	0
160	165	11	5	0	0	0	0	0	0	0	0	0
165	170	12	5	0	0	0	0	0	0	0	0	0
170	175	12	6	0	0	0	0	0	0	0	0	0
175	180	13	6	0	0	0	0	0	0	0	0	0
180	185	13	7	0	0	0	0	0	0	0	0	0
185	190	14	7	1	0	0	0	0	0	0	0	0
190	195	14	8	1	0	0	0	0	0	0	0	0
195	200	15	8	2	0	0	0	0	0	0	0	0
200	210	16	9	3	0	0	0	0	0	0	0	0
210	220	18	10	4	0	0	0	0	0	0	0	0
220	230	19	11	5	0	0	0	0	0	0	0	0
230	240	21	12	6	0	0	0	0	0	0	0	0
240	250	22	13	7	0	0	0	0	0	0	0	0
250	260	24	14	8	1	0	0	0	0	0	0	0
260	270	25	16	9	2	0	0	0	0	0	0	0
270	280	27	17	10	3	0	0	0	0	0	0	0
280	290	28	19	11	4	0	0	0	0	0	0	0
290	300	30	20	12	5	0	0	0	0	0	0	0
300	310	31	22	13	6	0	0	0	0	0	0	0
310	320	33	23	14	7	1	0	0	0	0	0	0
320	330	34	25	15	8	2	0	0	0	0	0	0
330	340	36	26	17	9	3	0	0	0	0	0	0
340	350	37	28	18	10	4	0	0	0	0	0	0
350	360	39	29	20	11	5	0	0	0	0	0	0
360	370	40	31	21	12	6	0	0	0	0	0	0
370	380	42	32	23	13	7	1	0	0	0	0	0
380	390	43	34	24	14	8	2	0	0	0	0	0
390	400	45	35	26	16	9	3	0	0	0	0	0
400	410	46	37	27	17	10	4	0	0	0	0	0
410	420	48	38	29	19	11	5	0	0	0	0	0
420	430	49	40	30	20	12	6	0	0	0	0	0
430	440	51	41	32	22	13	7	0	0	0	0	0
440	450	52	43	33	23	14	8	1	0	0	0	0
450	460	54	44	35	25	15	9	2	0	0	0	0
460	470	55	46	36	26	17	10	3	0	0	0	0
470	480	57	47	38	28	18	11	4	0	0	0	0
480	490	58	49	39	29	20	12	5	0	0	0	0
490	500	60	50	41	31	21	13	6	0	0	0	0
500	510	61	52	42	32	23	14	7	1	0	0	0
510	520	63	53	44	34	24	15	8	2	0	0	0
520	530	64	55	45	35	26	16	9	3	0	0	0
530	540	66	56	47	37	27	18	10	4	0	0	0
540	550	67	58	48	38	29	19	11	5	0	0	0
550	560	69	59	50	40	30	21	12	6	0	0	0
560	570	70	61	51	41	32	22	13	7	1	0	0
570	580	72	62	53	43	33	24	14	8	2	0	0
580	590	73	64	54	44	35	25	16	9	3	0	0
590	600	75	65	56	46	36	27	17	10	4	0	0

SINGLE Persons—WEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$600	\$610	\$76	\$67	\$57	\$47	\$38	\$28	\$19	\$11	\$5	\$0	\$0
610	620	78	68	59	49	39	30	20	12	6	0	0
620	630	80	70	60	50	41	31	22	13	7	0	0
630	640	82	71	62	52	42	33	23	14	8	1	0
640	650	85	73	63	53	44	34	25	15	9	2	0
650	660	87	74	65	55	45	36	26	17	10	3	0
660	670	90	76	66	56	47	37	28	18	11	4	0
670	680	92	77	68	58	48	39	29	20	12	5	0
680	690	95	79	69	59	50	40	31	21	13	6	0
690	700	97	81	71	61	51	42	32	23	14	7	1
700	710	100	84	72	62	53	43	34	24	15	8	2
710	720	102	86	74	64	54	45	35	26	16	9	3
720	730	105	89	75	65	56	46	37	27	18	10	4
730	740	107	91	77	67	57	48	38	29	19	11	5
740	750	110	94	78	68	59	49	40	30	21	12	6
750	760	112	96	80	70	60	51	41	32	22	13	7
760	770	115	99	83	71	62	52	43	33	24	14	8
770	780	117	101	85	73	63	54	44	35	25	16	9
780	790	120	104	88	74	65	55	46	36	27	17	10
790	800	122	106	90	76	66	57	47	38	28	19	11
800	810	125	109	93	77	68	58	49	39	30	20	12
810	820	127	111	95	79	69	60	50	41	31	22	13
820	830	130	114	98	82	71	61	52	42	33	23	14
830	840	132	116	100	84	72	63	53	44	34	25	15
840	850	135	119	103	87	74	64	55	45	36	26	17
850	860	137	121	105	89	75	66	56	47	37	28	18
860	870	140	124	108	92	77	67	58	48	39	29	20
870	880	142	126	110	94	79	69	59	50	40	31	21
880	890	145	129	113	97	81	70	61	51	42	32	23
890	900	147	131	115	99	84	72	62	53	43	34	24
900	910	150	134	118	102	86	73	64	54	45	35	26
910	920	152	136	120	104	89	75	65	56	46	37	27
920	930	155	139	123	107	91	76	67	57	48	38	29
930	940	157	141	125	109	94	78	68	59	49	40	30
940	950	160	144	128	112	96	80	70	60	51	41	32
950	960	162	146	130	114	99	83	71	62	52	43	33
960	970	165	149	133	117	101	85	73	63	54	44	35
970	980	167	151	135	119	104	88	74	65	55	46	36
980	990	170	154	138	122	106	90	76	66	57	47	38
990	1,000	172	156	140	124	109	93	77	68	58	49	39
1,000	1,010	175	159	143	127	111	95	79	69	60	50	41
1,010	1,020	177	161	145	129	114	98	82	71	61	52	42
1,020	1,030	180	164	148	132	116	100	84	72	63	53	44
1,030	1,040	182	166	150	134	119	103	87	74	64	55	45
1,040	1,050	185	169	153	137	121	105	89	75	66	56	47
1,050	1,060	187	171	155	139	124	108	92	77	67	58	48
1,060	1,070	190	174	158	142	126	110	94	78	69	59	50
1,070	1,080	192	176	160	144	129	113	97	81	70	61	51
1,080	1,090	195	179	163	147	131	115	99	83	72	62	53
1,090	1,100	197	181	165	149	134	118	102	86	73	64	54
1,100	1,110	200	184	168	152	136	120	104	88	75	65	56
1,110	1,120	202	186	170	154	139	123	107	91	76	67	57
1,120	1,130	205	189	173	157	141	125	109	93	78	68	59
1,130	1,140	207	191	175	159	144	128	112	96	80	70	60
1,140	1,150	210	194	178	162	146	130	114	98	83	71	62
1,150	1,160	212	196	180	164	149	133	117	101	85	73	63
1,160	1,170	215	199	183	167	151	135	119	103	88	74	65
1,170	1,180	217	201	185	169	154	138	122	106	90	76	66
1,180	1,190	220	204	188	172	156	140	124	108	93	77	68
1,190	1,200	222	206	190	174	159	143	127	111	95	79	69
1,200	1,210	225	209	193	177	161	145	129	113	98	82	71
1,210	1,220	227	211	195	179	164	148	132	116	100	84	72
1,220	1,230	230	214	198	182	166	150	134	118	103	87	74
1,230	1,240	232	216	200	184	169	153	137	121	105	89	75
1,240	1,250	235	219	203	187	171	155	139	123	108	92	77

\$1,250 and over Use Table 1(a) for a **SINGLE person** on page 36. Also see the instructions on page 34.

MARRIED Persons—WEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
125	130	0	0	0	0	0	0	0	0	0	0	0
130	135	0	0	0	0	0	0	0	0	0	0	0
135	140	0	0	0	0	0	0	0	0	0	0	0
140	145	0	0	0	0	0	0	0	0	0	0	0
145	150	0	0	0	0	0	0	0	0	0	0	0
150	155	0	0	0	0	0	0	0	0	0	0	0
155	160	0	0	0	0	0	0	0	0	0	0	0
160	165	1	0	0	0	0	0	0	0	0	0	0
165	170	1	0	0	0	0	0	0	0	0	0	0
170	175	2	0	0	0	0	0	0	0	0	0	0
175	180	2	0	0	0	0	0	0	0	0	0	0
180	185	3	0	0	0	0	0	0	0	0	0	0
185	190	3	0	0	0	0	0	0	0	0	0	0
190	195	4	0	0	0	0	0	0	0	0	0	0
195	200	4	0	0	0	0	0	0	0	0	0	0
200	210	5	0	0	0	0	0	0	0	0	0	0
210	220	6	0	0	0	0	0	0	0	0	0	0
220	230	7	1	0	0	0	0	0	0	0	0	0
230	240	8	2	0	0	0	0	0	0	0	0	0
240	250	9	3	0	0	0	0	0	0	0	0	0
250	260	10	4	0	0	0	0	0	0	0	0	0
260	270	11	5	0	0	0	0	0	0	0	0	0
270	280	12	6	0	0	0	0	0	0	0	0	0
280	290	13	7	0	0	0	0	0	0	0	0	0
290	300	14	8	1	0	0	0	0	0	0	0	0
300	310	15	9	2	0	0	0	0	0	0	0	0
310	320	16	10	3	0	0	0	0	0	0	0	0
320	330	17	11	4	0	0	0	0	0	0	0	0
330	340	18	12	5	0	0	0	0	0	0	0	0
340	350	19	13	6	0	0	0	0	0	0	0	0
350	360	20	14	7	1	0	0	0	0	0	0	0
360	370	21	15	8	2	0	0	0	0	0	0	0
370	380	22	16	9	3	0	0	0	0	0	0	0
380	390	23	17	10	4	0	0	0	0	0	0	0
390	400	24	18	11	5	0	0	0	0	0	0	0
400	410	25	19	12	6	0	0	0	0	0	0	0
410	420	26	20	13	7	1	0	0	0	0	0	0
420	430	27	21	14	8	2	0	0	0	0	0	0
430	440	28	22	15	9	3	0	0	0	0	0	0
440	450	29	23	16	10	4	0	0	0	0	0	0
450	460	31	24	17	11	5	0	0	0	0	0	0
460	470	32	25	18	12	6	0	0	0	0	0	0
470	480	34	26	19	13	7	0	0	0	0	0	0
480	490	35	27	20	14	8	1	0	0	0	0	0
490	500	37	28	21	15	9	2	0	0	0	0	0
500	510	38	29	22	16	10	3	0	0	0	0	0
510	520	40	30	23	17	11	4	0	0	0	0	0
520	530	41	32	24	18	12	5	0	0	0	0	0
530	540	43	33	25	19	13	6	0	0	0	0	0
540	550	44	35	26	20	14	7	1	0	0	0	0
550	560	46	36	27	21	15	8	2	0	0	0	0
560	570	47	38	28	22	16	9	3	0	0	0	0
570	580	49	39	30	23	17	10	4	0	0	0	0
580	590	50	41	31	24	18	11	5	0	0	0	0
590	600	52	42	33	25	19	12	6	0	0	0	0
600	610	53	44	34	26	20	13	7	1	0	0	0
610	620	55	45	36	27	21	14	8	2	0	0	0
620	630	56	47	37	28	22	15	9	3	0	0	0
630	640	58	48	39	29	23	16	10	4	0	0	0
640	650	59	50	40	31	24	17	11	5	0	0	0
650	660	61	51	42	32	25	18	12	6	0	0	0
660	670	62	53	43	34	26	19	13	7	0	0	0
670	680	64	54	45	35	27	20	14	8	1	0	0
680	690	65	56	46	37	28	21	15	9	2	0	0
690	700	67	57	48	38	29	22	16	10	3	0	0
700	710	68	59	49	40	30	23	17	11	4	0	0
710	720	70	60	51	41	32	24	18	12	5	0	0
720	730	71	62	52	43	33	25	19	13	6	0	0
730	740	73	63	54	44	35	26	20	14	7	1	0

MARRIED Persons—WEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$740	\$750	\$74	\$65	\$55	\$46	\$36	\$27	\$21	\$15	\$8	\$2	\$0
750	760	76	66	57	47	38	28	22	16	9	3	0
760	770	77	68	58	49	39	30	23	17	10	4	0
770	780	79	69	60	50	41	31	24	18	11	5	0
780	790	80	71	61	52	42	33	25	19	12	6	0
790	800	82	72	63	53	44	34	26	20	13	7	1
800	810	83	74	64	55	45	36	27	21	14	8	2
810	820	85	75	66	56	47	37	28	22	15	9	3
820	830	86	77	67	58	48	39	29	23	16	10	4
830	840	88	78	69	59	50	40	31	24	17	11	5
840	850	89	80	70	61	51	42	32	25	18	12	6
850	860	91	81	72	62	53	43	34	26	19	13	7
860	870	92	83	73	64	54	45	35	27	20	14	8
870	880	94	84	75	65	56	46	37	28	21	15	9
880	890	95	86	76	67	57	48	38	29	22	16	10
890	900	97	87	78	68	59	49	40	30	23	17	11
900	910	98	89	79	70	60	51	41	32	24	18	12
910	920	100	90	81	71	62	52	43	33	25	19	13
920	930	101	92	82	73	63	54	44	35	26	20	14
930	940	103	93	84	74	65	55	46	36	27	21	15
940	950	104	95	85	76	66	57	47	38	28	22	16
950	960	106	96	87	77	68	58	49	39	30	23	17
960	970	107	98	88	79	69	60	50	41	31	24	18
970	980	109	99	90	80	71	61	52	42	33	25	19
980	990	110	101	91	82	72	63	53	44	34	26	20
990	1,000	112	102	93	83	74	64	55	45	36	27	21
1,000	1,010	113	104	94	85	75	66	56	47	37	28	22
1,010	1,020	115	105	96	86	77	67	58	48	39	29	23
1,020	1,030	116	107	97	88	78	69	59	50	40	31	24
1,030	1,040	118	108	99	89	80	70	61	51	42	32	25
1,040	1,050	119	110	100	91	81	72	62	53	43	34	26
1,050	1,060	121	111	102	92	83	73	64	54	45	35	27
1,060	1,070	122	113	103	94	84	75	65	56	46	37	28
1,070	1,080	124	114	105	95	86	76	67	57	48	38	29
1,080	1,090	125	116	106	97	87	78	68	59	49	40	30
1,090	1,100	127	117	108	98	89	79	70	60	51	41	32
1,100	1,110	128	119	109	100	90	81	71	62	52	43	33
1,110	1,120	130	120	111	101	92	82	73	63	54	44	35
1,120	1,130	131	122	112	103	93	84	74	65	55	46	36
1,130	1,140	133	123	114	104	95	85	76	66	57	47	38
1,140	1,150	134	125	115	106	96	87	77	68	58	49	39
1,150	1,160	136	126	117	107	98	88	79	69	60	50	41
1,160	1,170	137	128	118	109	99	90	80	71	61	52	42
1,170	1,180	139	129	120	110	101	91	82	72	63	53	44
1,180	1,190	140	131	121	112	102	93	83	74	64	55	45
1,190	1,200	142	132	123	113	104	94	85	75	66	56	47
1,200	1,210	143	134	124	115	105	96	86	77	67	58	48
1,210	1,220	145	135	126	116	107	97	88	78	69	59	50
1,220	1,230	146	137	127	118	108	99	89	80	70	61	51
1,230	1,240	148	138	129	119	110	100	91	81	72	62	53
1,240	1,250	149	140	130	121	111	102	92	83	73	64	54
1,250	1,260	151	141	132	122	113	103	94	84	75	65	56
1,260	1,270	152	143	133	124	114	105	95	86	76	67	57
1,270	1,280	154	144	135	125	116	106	97	87	78	68	59
1,280	1,290	155	146	136	127	117	108	98	89	79	70	60
1,290	1,300	157	147	138	128	119	109	100	90	81	71	62
1,300	1,310	158	149	139	130	120	111	101	92	82	73	63
1,310	1,320	161	150	141	131	122	112	103	93	84	74	65
1,320	1,330	163	152	142	133	123	114	104	95	85	76	66
1,330	1,340	166	153	144	134	125	115	106	96	87	77	68
1,340	1,350	168	155	145	136	126	117	107	98	88	79	69
1,350	1,360	171	156	147	137	128	118	109	99	90	80	71
1,360	1,370	173	158	148	139	129	120	110	101	91	82	72
1,370	1,380	176	160	150	140	131	121	112	102	93	83	74
1,380	1,390	178	162	151	142	132	123	113	104	94	85	75
1,390	1,400	181	165	153	143	134	124	115	105	96	86	77

\$1,400 and over

Use Table 1(b) for a **MARRIED person** on page 36. Also see the instructions on page 34.

SINGLE Persons—BIWEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$105	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
105	110	1	0	0	0	0	0	0	0	0	0	0
110	115	1	0	0	0	0	0	0	0	0	0	0
115	120	2	0	0	0	0	0	0	0	0	0	0
120	125	2	0	0	0	0	0	0	0	0	0	0
125	130	3	0	0	0	0	0	0	0	0	0	0
130	135	3	0	0	0	0	0	0	0	0	0	0
135	140	4	0	0	0	0	0	0	0	0	0	0
140	145	4	0	0	0	0	0	0	0	0	0	0
145	150	5	0	0	0	0	0	0	0	0	0	0
150	155	5	0	0	0	0	0	0	0	0	0	0
155	160	6	0	0	0	0	0	0	0	0	0	0
160	165	6	0	0	0	0	0	0	0	0	0	0
165	170	7	0	0	0	0	0	0	0	0	0	0
170	175	7	0	0	0	0	0	0	0	0	0	0
175	180	8	0	0	0	0	0	0	0	0	0	0
180	185	8	0	0	0	0	0	0	0	0	0	0
185	190	9	0	0	0	0	0	0	0	0	0	0
190	195	9	0	0	0	0	0	0	0	0	0	0
195	200	10	0	0	0	0	0	0	0	0	0	0
200	205	10	0	0	0	0	0	0	0	0	0	0
205	210	11	0	0	0	0	0	0	0	0	0	0
210	215	11	0	0	0	0	0	0	0	0	0	0
215	220	12	0	0	0	0	0	0	0	0	0	0
220	225	12	0	0	0	0	0	0	0	0	0	0
225	230	13	0	0	0	0	0	0	0	0	0	0
230	235	13	0	0	0	0	0	0	0	0	0	0
235	240	14	1	0	0	0	0	0	0	0	0	0
240	245	14	1	0	0	0	0	0	0	0	0	0
245	250	15	2	0	0	0	0	0	0	0	0	0
250	260	15	3	0	0	0	0	0	0	0	0	0
260	270	16	4	0	0	0	0	0	0	0	0	0
270	280	17	5	0	0	0	0	0	0	0	0	0
280	290	18	6	0	0	0	0	0	0	0	0	0
290	300	19	7	0	0	0	0	0	0	0	0	0
300	310	20	8	0	0	0	0	0	0	0	0	0
310	320	21	9	0	0	0	0	0	0	0	0	0
320	330	22	10	0	0	0	0	0	0	0	0	0
330	340	23	11	0	0	0	0	0	0	0	0	0
340	350	24	12	0	0	0	0	0	0	0	0	0
350	360	25	13	0	0	0	0	0	0	0	0	0
360	370	26	14	1	0	0	0	0	0	0	0	0
370	380	27	15	2	0	0	0	0	0	0	0	0
380	390	28	16	3	0	0	0	0	0	0	0	0
390	400	30	17	4	0	0	0	0	0	0	0	0
400	410	31	18	5	0	0	0	0	0	0	0	0
410	420	33	19	6	0	0	0	0	0	0	0	0
420	430	34	20	7	0	0	0	0	0	0	0	0
430	440	36	21	8	0	0	0	0	0	0	0	0
440	450	37	22	9	0	0	0	0	0	0	0	0
450	460	39	23	10	0	0	0	0	0	0	0	0
460	470	40	24	11	0	0	0	0	0	0	0	0
470	480	42	25	12	0	0	0	0	0	0	0	0
480	490	43	26	13	0	0	0	0	0	0	0	0
490	500	45	27	14	1	0	0	0	0	0	0	0
500	520	47	28	15	3	0	0	0	0	0	0	0
520	540	50	31	17	5	0	0	0	0	0	0	0
540	560	53	34	19	7	0	0	0	0	0	0	0
560	580	56	37	21	9	0	0	0	0	0	0	0
580	600	59	40	23	11	0	0	0	0	0	0	0
600	620	62	43	25	13	0	0	0	0	0	0	0
620	640	65	46	27	15	2	0	0	0	0	0	0
640	660	68	49	30	17	4	0	0	0	0	0	0
660	680	71	52	33	19	6	0	0	0	0	0	0
680	700	74	55	36	21	8	0	0	0	0	0	0
700	720	77	58	39	23	10	0	0	0	0	0	0
720	740	80	61	42	25	12	0	0	0	0	0	0
740	760	83	64	45	27	14	1	0	0	0	0	0
760	780	86	67	48	29	16	3	0	0	0	0	0
780	800	89	70	51	32	18	5	0	0	0	0	0

SINGLE Persons—BIWEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$800	\$820	\$92	\$73	\$54	\$35	\$20	\$7	\$0	\$0	\$0	\$0	\$0
820	840	95	76	57	38	22	9	0	0	0	0	0
840	860	98	79	60	41	24	11	0	0	0	0	0
860	880	101	82	63	44	26	13	1	0	0	0	0
880	900	104	85	66	47	28	15	3	0	0	0	0
900	920	107	88	69	50	31	17	5	0	0	0	0
920	940	110	91	72	53	34	19	7	0	0	0	0
940	960	113	94	75	56	37	21	9	0	0	0	0
960	980	116	97	78	59	40	23	11	0	0	0	0
980	1,000	119	100	81	62	43	25	13	0	0	0	0
1,000	1,020	122	103	84	65	46	27	15	2	0	0	0
1,020	1,040	125	106	87	68	49	30	17	4	0	0	0
1,040	1,060	128	109	90	71	52	33	19	6	0	0	0
1,060	1,080	131	112	93	74	55	36	21	8	0	0	0
1,080	1,100	134	115	96	77	58	39	23	10	0	0	0
1,100	1,120	137	118	99	80	61	42	25	12	0	0	0
1,120	1,140	140	121	102	83	64	45	27	14	1	0	0
1,140	1,160	143	124	105	86	67	48	29	16	3	0	0
1,160	1,180	146	127	108	89	70	51	32	18	5	0	0
1,180	1,200	149	130	111	92	73	54	35	20	7	0	0
1,200	1,220	152	133	114	95	76	57	38	22	9	0	0
1,220	1,240	155	136	117	98	79	60	41	24	11	0	0
1,240	1,260	159	139	120	101	82	63	44	26	13	1	0
1,260	1,280	164	142	123	104	85	66	47	28	15	3	0
1,280	1,300	169	145	126	107	88	69	50	31	17	5	0
1,300	1,320	174	148	129	110	91	72	53	34	19	7	0
1,320	1,340	179	151	132	113	94	75	56	37	21	9	0
1,340	1,360	184	154	135	116	97	78	59	40	23	11	0
1,360	1,380	189	157	138	119	100	81	62	43	25	13	0
1,380	1,400	194	162	141	122	103	84	65	46	27	15	2
1,400	1,420	199	167	144	125	106	87	68	49	30	17	4
1,420	1,440	204	172	147	128	109	90	71	52	33	19	6
1,440	1,460	209	177	150	131	112	93	74	55	36	21	8
1,460	1,480	214	182	153	134	115	96	77	58	39	23	10
1,480	1,500	219	187	156	137	118	99	80	61	42	25	12
1,500	1,520	224	192	161	140	121	102	83	64	45	27	14
1,520	1,540	229	197	166	143	124	105	86	67	48	29	16
1,540	1,560	234	202	171	146	127	108	89	70	51	32	18
1,560	1,580	239	207	176	149	130	111	92	73	54	35	20
1,580	1,600	244	212	181	152	133	114	95	76	57	38	22
1,600	1,620	249	217	186	155	136	117	98	79	60	41	24
1,620	1,640	254	222	191	159	139	120	101	82	63	44	26
1,640	1,660	259	227	196	164	142	123	104	85	66	47	28
1,660	1,680	264	232	201	169	145	126	107	88	69	50	31
1,680	1,700	269	237	206	174	148	129	110	91	72	53	34
1,700	1,720	274	242	211	179	151	132	113	94	75	56	37
1,720	1,740	279	247	216	184	154	135	116	97	78	59	40
1,740	1,760	284	252	221	189	157	138	119	100	81	62	43
1,760	1,780	289	257	226	194	162	141	122	103	84	65	46
1,780	1,800	294	262	231	199	167	144	125	106	87	68	49
1,800	1,820	299	267	236	204	172	147	128	109	90	71	52
1,820	1,840	304	272	241	209	177	150	131	112	93	74	55
1,840	1,860	309	277	246	214	182	153	134	115	96	77	58
1,860	1,880	314	282	251	219	187	156	137	118	99	80	61
1,880	1,900	319	287	256	224	192	160	140	121	102	83	64
1,900	1,920	324	292	261	229	197	165	143	124	105	86	67
1,920	1,940	329	297	266	234	202	170	146	127	108	89	70
1,940	1,960	334	302	271	239	207	175	149	130	111	92	73
1,960	1,980	339	307	276	244	212	180	152	133	114	95	76
1,980	2,000	344	312	281	249	217	185	155	136	117	98	79
2,000	2,020	349	317	286	254	222	190	159	139	120	101	82
2,020	2,040	354	322	291	259	227	195	164	142	123	104	85
2,040	2,060	359	327	296	264	232	200	169	145	126	107	88
2,060	2,080	364	332	301	269	237	205	174	148	129	110	91
2,080	2,100	369	337	306	274	242	210	179	151	132	113	94

\$2,100 and over

Use Table 2(a) for a **SINGLE person** on page 36. Also see the instructions on page 34.

MARRIED Persons—BIWEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
250	260	0	0	0	0	0	0	0	0	0	0	0
260	270	0	0	0	0	0	0	0	0	0	0	0
270	280	0	0	0	0	0	0	0	0	0	0	0
280	290	0	0	0	0	0	0	0	0	0	0	0
290	300	0	0	0	0	0	0	0	0	0	0	0
300	310	0	0	0	0	0	0	0	0	0	0	0
310	320	1	0	0	0	0	0	0	0	0	0	0
320	330	2	0	0	0	0	0	0	0	0	0	0
330	340	3	0	0	0	0	0	0	0	0	0	0
340	350	4	0	0	0	0	0	0	0	0	0	0
350	360	5	0	0	0	0	0	0	0	0	0	0
360	370	6	0	0	0	0	0	0	0	0	0	0
370	380	7	0	0	0	0	0	0	0	0	0	0
380	390	8	0	0	0	0	0	0	0	0	0	0
390	400	9	0	0	0	0	0	0	0	0	0	0
400	410	10	0	0	0	0	0	0	0	0	0	0
410	420	11	0	0	0	0	0	0	0	0	0	0
420	430	12	0	0	0	0	0	0	0	0	0	0
430	440	13	0	0	0	0	0	0	0	0	0	0
440	450	14	1	0	0	0	0	0	0	0	0	0
450	460	15	2	0	0	0	0	0	0	0	0	0
460	470	16	3	0	0	0	0	0	0	0	0	0
470	480	17	4	0	0	0	0	0	0	0	0	0
480	490	18	5	0	0	0	0	0	0	0	0	0
490	500	19	6	0	0	0	0	0	0	0	0	0
500	520	20	8	0	0	0	0	0	0	0	0	0
520	540	22	10	0	0	0	0	0	0	0	0	0
540	560	24	12	0	0	0	0	0	0	0	0	0
560	580	26	14	1	0	0	0	0	0	0	0	0
580	600	28	16	3	0	0	0	0	0	0	0	0
600	620	30	18	5	0	0	0	0	0	0	0	0
620	640	32	20	7	0	0	0	0	0	0	0	0
640	660	34	22	9	0	0	0	0	0	0	0	0
660	680	36	24	11	0	0	0	0	0	0	0	0
680	700	38	26	13	0	0	0	0	0	0	0	0
700	720	40	28	15	2	0	0	0	0	0	0	0
720	740	42	30	17	4	0	0	0	0	0	0	0
740	760	44	32	19	6	0	0	0	0	0	0	0
760	780	46	34	21	8	0	0	0	0	0	0	0
780	800	48	36	23	10	0	0	0	0	0	0	0
800	820	50	38	25	12	0	0	0	0	0	0	0
820	840	52	40	27	14	1	0	0	0	0	0	0
840	860	54	42	29	16	3	0	0	0	0	0	0
860	880	56	44	31	18	5	0	0	0	0	0	0
880	900	59	46	33	20	7	0	0	0	0	0	0
900	920	62	48	35	22	9	0	0	0	0	0	0
920	940	65	50	37	24	11	0	0	0	0	0	0
940	960	68	52	39	26	13	1	0	0	0	0	0
960	980	71	54	41	28	15	3	0	0	0	0	0
980	1,000	74	56	43	30	17	5	0	0	0	0	0
1,000	1,020	77	58	45	32	19	7	0	0	0	0	0
1,020	1,040	80	61	47	34	21	9	0	0	0	0	0
1,040	1,060	83	64	49	36	23	11	0	0	0	0	0
1,060	1,080	86	67	51	38	25	13	0	0	0	0	0
1,080	1,100	89	70	53	40	27	15	2	0	0	0	0
1,100	1,120	92	73	55	42	29	17	4	0	0	0	0
1,120	1,140	95	76	57	44	31	19	6	0	0	0	0
1,140	1,160	98	79	60	46	33	21	8	0	0	0	0
1,160	1,180	101	82	63	48	35	23	10	0	0	0	0
1,180	1,200	104	85	66	50	37	25	12	0	0	0	0
1,200	1,220	107	88	69	52	39	27	14	1	0	0	0
1,220	1,240	110	91	72	54	41	29	16	3	0	0	0
1,240	1,260	113	94	75	56	43	31	18	5	0	0	0
1,260	1,280	116	97	78	59	45	33	20	7	0	0	0
1,280	1,300	119	100	81	62	47	35	22	9	0	0	0
1,300	1,320	122	103	84	65	49	37	24	11	0	0	0
1,320	1,340	125	106	87	68	51	39	26	13	1	0	0
1,340	1,360	128	109	90	71	53	41	28	15	3	0	0
1,360	1,380	131	112	93	74	55	43	30	17	5	0	0

MARRIED Persons—BIWEEKLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$1,380	\$1,400	\$134	\$115	\$96	\$77	\$58	\$45	\$32	\$19	\$7	\$0	\$0
1,400	1,420	137	118	99	80	61	47	34	21	9	0	0
1,420	1,440	140	121	102	83	64	49	36	23	11	0	0
1,440	1,460	143	124	105	86	67	51	38	25	13	0	0
1,460	1,480	146	127	108	89	70	53	40	27	15	2	0
1,480	1,500	149	130	111	92	73	55	42	29	17	4	0
1,500	1,520	152	133	114	95	76	57	44	31	19	6	0
1,520	1,540	155	136	117	98	79	60	46	33	21	8	0
1,540	1,560	158	139	120	101	82	63	48	35	23	10	0
1,560	1,580	161	142	123	104	85	66	50	37	25	12	0
1,580	1,600	164	145	126	107	88	69	52	39	27	14	1
1,600	1,620	167	148	129	110	91	72	54	41	29	16	3
1,620	1,640	170	151	132	113	94	75	56	43	31	18	5
1,640	1,660	173	154	135	116	97	78	58	45	33	20	7
1,660	1,680	176	157	138	119	100	81	61	47	35	22	9
1,680	1,700	179	160	141	122	103	84	64	49	37	24	11
1,700	1,720	182	163	144	125	106	87	67	51	39	26	13
1,720	1,740	185	166	147	128	109	90	70	53	41	28	15
1,740	1,760	188	169	150	131	112	93	73	55	43	30	17
1,760	1,780	191	172	153	134	115	96	76	57	45	32	19
1,780	1,800	194	175	156	137	118	99	79	60	47	34	21
1,800	1,820	197	178	159	140	121	102	82	63	49	36	23
1,820	1,840	200	181	162	143	124	105	85	66	51	38	25
1,840	1,860	203	184	165	146	127	108	88	69	53	40	27
1,860	1,880	206	187	168	149	130	111	91	72	55	42	29
1,880	1,900	209	190	171	152	133	114	94	75	57	44	31
1,900	1,920	212	193	174	155	136	117	97	78	59	46	33
1,920	1,940	215	196	177	158	139	120	100	81	62	48	35
1,940	1,960	218	199	180	161	142	123	103	84	65	50	37
1,960	1,980	221	202	183	164	145	126	106	87	68	52	39
1,980	2,000	224	205	186	167	148	129	109	90	71	54	41
2,000	2,020	227	208	189	170	151	132	112	93	74	56	43
2,020	2,040	230	211	192	173	154	135	115	96	77	58	45
2,040	2,060	233	214	195	176	157	138	118	99	80	61	47
2,060	2,080	236	217	198	179	160	141	121	102	83	64	49
2,080	2,100	239	220	201	182	163	144	124	105	86	67	51
2,100	2,120	242	223	204	185	166	147	127	108	89	70	53
2,120	2,140	245	226	207	188	169	150	130	111	92	73	55
2,140	2,160	248	229	210	191	172	153	133	114	95	76	57
2,160	2,180	251	232	213	194	175	156	136	117	98	79	60
2,180	2,200	254	235	216	197	178	159	139	120	101	82	63
2,200	2,220	257	238	219	200	181	162	142	123	104	85	66
2,220	2,240	260	241	222	203	184	165	145	126	107	88	69
2,240	2,260	263	244	225	206	187	168	148	129	110	91	72
2,260	2,280	266	247	228	209	190	171	151	132	113	94	75
2,280	2,300	269	250	231	212	193	174	154	135	116	97	78
2,300	2,320	272	253	234	215	196	177	157	138	119	100	81
2,320	2,340	275	256	237	218	199	180	160	141	122	103	84
2,340	2,360	278	259	240	221	202	183	163	144	125	106	87
2,360	2,380	281	262	243	224	205	186	166	147	128	109	90
2,380	2,400	284	265	246	227	208	189	169	150	131	112	93
2,400	2,420	287	268	249	230	211	192	172	153	134	115	96
2,420	2,440	290	271	252	233	214	195	175	156	137	118	99
2,440	2,460	293	274	255	236	217	198	178	159	140	121	102
2,460	2,480	296	277	258	239	220	201	181	162	143	124	105
2,480	2,500	299	280	261	242	223	204	184	165	146	127	108
2,500	2,520	302	283	264	245	226	207	187	168	149	130	111
2,520	2,540	305	286	267	248	229	210	190	171	152	133	114
2,540	2,560	308	289	270	251	232	213	193	174	155	136	117
2,560	2,580	311	292	273	254	235	216	196	177	158	139	120
2,580	2,600	314	295	276	257	238	219	199	180	161	142	123
2,600	2,620	317	298	279	260	241	222	202	183	164	145	126
2,620	2,640	321	301	282	263	244	225	205	186	167	148	129
2,640	2,660	326	304	285	266	247	228	208	189	170	151	132
2,660	2,680	331	307	288	269	250	231	211	192	173	154	135
2,680	2,700	336	310	291	272	253	234	214	195	176	157	138

\$2,700 and over

Use Table 2(b) for a **MARRIED person** on page 36. Also see the instructions on page 34.

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
115	120	1	0	0	0	0	0	0	0	0	0	0
120	125	1	0	0	0	0	0	0	0	0	0	0
125	130	2	0	0	0	0	0	0	0	0	0	0
130	135	2	0	0	0	0	0	0	0	0	0	0
135	140	3	0	0	0	0	0	0	0	0	0	0
140	145	3	0	0	0	0	0	0	0	0	0	0
145	150	4	0	0	0	0	0	0	0	0	0	0
150	155	4	0	0	0	0	0	0	0	0	0	0
155	160	5	0	0	0	0	0	0	0	0	0	0
160	165	5	0	0	0	0	0	0	0	0	0	0
165	170	6	0	0	0	0	0	0	0	0	0	0
170	175	6	0	0	0	0	0	0	0	0	0	0
175	180	7	0	0	0	0	0	0	0	0	0	0
180	185	7	0	0	0	0	0	0	0	0	0	0
185	190	8	0	0	0	0	0	0	0	0	0	0
190	195	8	0	0	0	0	0	0	0	0	0	0
195	200	9	0	0	0	0	0	0	0	0	0	0
200	205	9	0	0	0	0	0	0	0	0	0	0
205	210	10	0	0	0	0	0	0	0	0	0	0
210	215	10	0	0	0	0	0	0	0	0	0	0
215	220	11	0	0	0	0	0	0	0	0	0	0
220	225	11	0	0	0	0	0	0	0	0	0	0
225	230	12	0	0	0	0	0	0	0	0	0	0
230	235	12	0	0	0	0	0	0	0	0	0	0
235	240	13	0	0	0	0	0	0	0	0	0	0
240	245	13	0	0	0	0	0	0	0	0	0	0
245	250	14	0	0	0	0	0	0	0	0	0	0
250	260	14	1	0	0	0	0	0	0	0	0	0
260	270	15	2	0	0	0	0	0	0	0	0	0
270	280	16	3	0	0	0	0	0	0	0	0	0
280	290	17	4	0	0	0	0	0	0	0	0	0
290	300	18	5	0	0	0	0	0	0	0	0	0
300	310	19	6	0	0	0	0	0	0	0	0	0
310	320	20	7	0	0	0	0	0	0	0	0	0
320	330	21	8	0	0	0	0	0	0	0	0	0
330	340	22	9	0	0	0	0	0	0	0	0	0
340	350	23	10	0	0	0	0	0	0	0	0	0
350	360	24	11	0	0	0	0	0	0	0	0	0
360	370	25	12	0	0	0	0	0	0	0	0	0
370	380	26	13	0	0	0	0	0	0	0	0	0
380	390	27	14	0	0	0	0	0	0	0	0	0
390	400	28	15	1	0	0	0	0	0	0	0	0
400	410	29	16	2	0	0	0	0	0	0	0	0
410	420	30	17	3	0	0	0	0	0	0	0	0
420	430	32	18	4	0	0	0	0	0	0	0	0
430	440	33	19	5	0	0	0	0	0	0	0	0
440	450	35	20	6	0	0	0	0	0	0	0	0
450	460	36	21	7	0	0	0	0	0	0	0	0
460	470	38	22	8	0	0	0	0	0	0	0	0
470	480	39	23	9	0	0	0	0	0	0	0	0
480	490	41	24	10	0	0	0	0	0	0	0	0
490	500	42	25	11	0	0	0	0	0	0	0	0
500	520	45	26	12	0	0	0	0	0	0	0	0
520	540	48	28	14	1	0	0	0	0	0	0	0
540	560	51	30	16	3	0	0	0	0	0	0	0
560	580	54	33	18	5	0	0	0	0	0	0	0
580	600	57	36	20	7	0	0	0	0	0	0	0
600	620	60	39	22	9	0	0	0	0	0	0	0
620	640	63	42	24	11	0	0	0	0	0	0	0
640	660	66	45	26	13	0	0	0	0	0	0	0
660	680	69	48	28	15	1	0	0	0	0	0	0
680	700	72	51	30	17	3	0	0	0	0	0	0
700	720	75	54	33	19	5	0	0	0	0	0	0
720	740	78	57	36	21	7	0	0	0	0	0	0
740	760	81	60	39	23	9	0	0	0	0	0	0
760	780	84	63	42	25	11	0	0	0	0	0	0
780	800	87	66	45	27	13	0	0	0	0	0	0
800	820	90	69	48	29	15	1	0	0	0	0	0
820	840	93	72	51	31	17	3	0	0	0	0	0

SINGLE Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$840	\$860	\$96	\$75	\$54	\$34	\$19	\$5	\$0	\$0	\$0	\$0	\$0
860	880	99	78	57	37	21	7	0	0	0	0	0
880	900	102	81	60	40	23	9	0	0	0	0	0
900	920	105	84	63	43	25	11	0	0	0	0	0
920	940	108	87	66	46	27	13	0	0	0	0	0
940	960	111	90	69	49	29	15	1	0	0	0	0
960	980	114	93	72	52	31	17	3	0	0	0	0
980	1,000	117	96	75	55	34	19	5	0	0	0	0
1,000	1,020	120	99	78	58	37	21	7	0	0	0	0
1,020	1,040	123	102	81	61	40	23	9	0	0	0	0
1,040	1,060	126	105	84	64	43	25	11	0	0	0	0
1,060	1,080	129	108	87	67	46	27	13	0	0	0	0
1,080	1,100	132	111	90	70	49	29	15	2	0	0	0
1,100	1,120	135	114	93	73	52	32	17	4	0	0	0
1,120	1,140	138	117	96	76	55	35	19	6	0	0	0
1,140	1,160	141	120	99	79	58	38	21	8	0	0	0
1,160	1,180	144	123	102	82	61	41	23	10	0	0	0
1,180	1,200	147	126	105	85	64	44	25	12	0	0	0
1,200	1,220	150	129	108	88	67	47	27	14	0	0	0
1,220	1,240	153	132	111	91	70	50	29	16	2	0	0
1,240	1,260	156	135	114	94	73	53	32	18	4	0	0
1,260	1,280	159	138	117	97	76	56	35	20	6	0	0
1,280	1,300	162	141	120	100	79	59	38	22	8	0	0
1,300	1,320	165	144	123	103	82	62	41	24	10	0	0
1,320	1,340	168	147	126	106	85	65	44	26	12	0	0
1,340	1,360	171	150	129	109	88	68	47	28	14	0	0
1,360	1,380	176	153	132	112	91	71	50	30	16	2	0
1,380	1,400	181	156	135	115	94	74	53	32	18	4	0
1,400	1,420	186	159	138	118	97	77	56	35	20	6	0
1,420	1,440	191	162	141	121	100	80	59	38	22	8	0
1,440	1,460	196	165	144	124	103	83	62	41	24	10	0
1,460	1,480	201	168	147	127	106	86	65	44	26	12	0
1,480	1,500	206	172	150	130	109	89	68	47	28	14	0
1,500	1,520	211	177	153	133	112	92	71	50	30	16	2
1,520	1,540	216	182	156	136	115	95	74	53	33	18	4
1,540	1,560	221	187	159	139	118	98	77	56	36	20	6
1,560	1,580	226	192	162	142	121	101	80	59	39	22	8
1,580	1,600	231	197	165	145	124	104	83	62	42	24	10
1,600	1,620	236	202	168	148	127	107	86	65	45	26	12
1,620	1,640	241	207	173	151	130	110	89	68	48	28	14
1,640	1,660	246	212	178	154	133	113	92	71	51	30	16
1,660	1,680	251	217	183	157	136	116	95	74	54	33	18
1,680	1,700	256	222	188	160	139	119	98	77	57	36	20
1,700	1,720	261	227	193	163	142	122	101	80	60	39	22
1,720	1,740	266	232	198	166	145	125	104	83	63	42	24
1,740	1,760	271	237	203	169	148	128	107	86	66	45	26
1,760	1,780	276	242	208	173	151	131	110	89	69	48	28
1,780	1,800	281	247	213	178	154	134	113	92	72	51	30
1,800	1,820	286	252	218	183	157	137	116	95	75	54	33
1,820	1,840	291	257	223	188	160	140	119	98	78	57	36
1,840	1,860	296	262	228	193	163	143	122	101	81	60	39
1,860	1,880	301	267	233	198	166	146	125	104	84	63	42
1,880	1,900	306	272	238	203	169	149	128	107	87	66	45
1,900	1,920	311	277	243	208	174	152	131	110	90	69	48
1,920	1,940	316	282	248	213	179	155	134	113	93	72	51
1,940	1,960	321	287	253	218	184	158	137	116	96	75	54
1,960	1,980	326	292	258	223	189	161	140	119	99	78	57
1,980	2,000	331	297	263	228	194	164	143	122	102	81	60
2,000	2,020	336	302	268	233	199	167	146	125	105	84	63
2,020	2,040	341	307	273	238	204	170	149	128	108	87	66
2,040	2,060	346	312	278	243	209	174	152	131	111	90	69
2,060	2,080	351	317	283	248	214	179	155	134	114	93	72
2,080	2,100	356	322	288	253	219	184	158	137	117	96	75
2,100	2,120	361	327	293	258	224	189	161	140	120	99	78
2,120	2,140	366	332	298	263	229	194	164	143	123	102	81

\$2,140 and over

Use Table 3(a) for a **SINGLE person** on page 36. Also see the instructions on page 34.

MARRIED Persons—SEMIMONTHLY Payroll Period

(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
270	280	0	0	0	0	0	0	0	0	0	0	0
280	290	0	0	0	0	0	0	0	0	0	0	0
290	300	0	0	0	0	0	0	0	0	0	0	0
300	310	0	0	0	0	0	0	0	0	0	0	0
310	320	0	0	0	0	0	0	0	0	0	0	0
320	330	0	0	0	0	0	0	0	0	0	0	0
330	340	0	0	0	0	0	0	0	0	0	0	0
340	350	1	0	0	0	0	0	0	0	0	0	0
350	360	2	0	0	0	0	0	0	0	0	0	0
360	370	3	0	0	0	0	0	0	0	0	0	0
370	380	4	0	0	0	0	0	0	0	0	0	0
380	390	5	0	0	0	0	0	0	0	0	0	0
390	400	6	0	0	0	0	0	0	0	0	0	0
400	410	7	0	0	0	0	0	0	0	0	0	0
410	420	8	0	0	0	0	0	0	0	0	0	0
420	430	9	0	0	0	0	0	0	0	0	0	0
430	440	10	0	0	0	0	0	0	0	0	0	0
440	450	11	0	0	0	0	0	0	0	0	0	0
450	460	12	0	0	0	0	0	0	0	0	0	0
460	470	13	0	0	0	0	0	0	0	0	0	0
470	480	14	0	0	0	0	0	0	0	0	0	0
480	490	15	1	0	0	0	0	0	0	0	0	0
490	500	16	2	0	0	0	0	0	0	0	0	0
500	520	18	4	0	0	0	0	0	0	0	0	0
520	540	20	6	0	0	0	0	0	0	0	0	0
540	560	22	8	0	0	0	0	0	0	0	0	0
560	580	24	10	0	0	0	0	0	0	0	0	0
580	600	26	12	0	0	0	0	0	0	0	0	0
600	620	28	14	0	0	0	0	0	0	0	0	0
620	640	30	16	2	0	0	0	0	0	0	0	0
640	660	32	18	4	0	0	0	0	0	0	0	0
660	680	34	20	6	0	0	0	0	0	0	0	0
680	700	36	22	8	0	0	0	0	0	0	0	0
700	720	38	24	10	0	0	0	0	0	0	0	0
720	740	40	26	12	0	0	0	0	0	0	0	0
740	760	42	28	14	0	0	0	0	0	0	0	0
760	780	44	30	16	2	0	0	0	0	0	0	0
780	800	46	32	18	4	0	0	0	0	0	0	0
800	820	48	34	20	6	0	0	0	0	0	0	0
820	840	50	36	22	8	0	0	0	0	0	0	0
840	860	52	38	24	10	0	0	0	0	0	0	0
860	880	54	40	26	12	0	0	0	0	0	0	0
880	900	56	42	28	14	1	0	0	0	0	0	0
900	920	58	44	30	16	3	0	0	0	0	0	0
920	940	60	46	32	18	5	0	0	0	0	0	0
940	960	62	48	34	20	7	0	0	0	0	0	0
960	980	64	50	36	22	9	0	0	0	0	0	0
980	1,000	67	52	38	24	11	0	0	0	0	0	0
1,000	1,020	70	54	40	26	13	0	0	0	0	0	0
1,020	1,040	73	56	42	28	15	1	0	0	0	0	0
1,040	1,060	76	58	44	30	17	3	0	0	0	0	0
1,060	1,080	79	60	46	32	19	5	0	0	0	0	0
1,080	1,100	82	62	48	34	21	7	0	0	0	0	0
1,100	1,120	85	65	50	36	23	9	0	0	0	0	0
1,120	1,140	88	68	52	38	25	11	0	0	0	0	0
1,140	1,160	91	71	54	40	27	13	0	0	0	0	0
1,160	1,180	94	74	56	42	29	15	1	0	0	0	0
1,180	1,200	97	77	58	44	31	17	3	0	0	0	0
1,200	1,220	100	80	60	46	33	19	5	0	0	0	0
1,220	1,240	103	83	62	48	35	21	7	0	0	0	0
1,240	1,260	106	86	65	50	37	23	9	0	0	0	0
1,260	1,280	109	89	68	52	39	25	11	0	0	0	0
1,280	1,300	112	92	71	54	41	27	13	0	0	0	0
1,300	1,320	115	95	74	56	43	29	15	1	0	0	0
1,320	1,340	118	98	77	58	45	31	17	3	0	0	0
1,340	1,360	121	101	80	60	47	33	19	5	0	0	0
1,360	1,380	124	104	83	63	49	35	21	7	0	0	0
1,380	1,400	127	107	86	66	51	37	23	9	0	0	0
1,400	1,420	130	110	89	69	53	39	25	11	0	0	0

MARRIED Persons—SEMIMONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$1,420	\$1,440	\$133	\$113	\$92	\$72	\$55	\$41	\$27	\$13	\$0	\$0	\$0
1,440	1,460	136	116	95	75	57	43	29	15	2	0	0
1,460	1,480	139	119	98	78	59	45	31	17	4	0	0
1,480	1,500	142	122	101	81	61	47	33	19	6	0	0
1,500	1,520	145	125	104	84	63	49	35	21	8	0	0
1,520	1,540	148	128	107	87	66	51	37	23	10	0	0
1,540	1,560	151	131	110	90	69	53	39	25	12	0	0
1,560	1,580	154	134	113	93	72	55	41	27	14	0	0
1,580	1,600	157	137	116	96	75	57	43	29	16	2	0
1,600	1,620	160	140	119	99	78	59	45	31	18	4	0
1,620	1,640	163	143	122	102	81	61	47	33	20	6	0
1,640	1,660	166	146	125	105	84	63	49	35	22	8	0
1,660	1,680	169	149	128	108	87	66	51	37	24	10	0
1,680	1,700	172	152	131	111	90	69	53	39	26	12	0
1,700	1,720	175	155	134	114	93	72	55	41	28	14	0
1,720	1,740	178	158	137	117	96	75	57	43	30	16	2
1,740	1,760	181	161	140	120	99	78	59	45	32	18	4
1,760	1,780	184	164	143	123	102	81	61	47	34	20	6
1,780	1,800	187	167	146	126	105	84	64	49	36	22	8
1,800	1,820	190	170	149	129	108	87	67	51	38	24	10
1,820	1,840	193	173	152	132	111	90	70	53	40	26	12
1,840	1,860	196	176	155	135	114	93	73	55	42	28	14
1,860	1,880	199	179	158	138	117	96	76	57	44	30	16
1,880	1,900	202	182	161	141	120	99	79	59	46	32	18
1,900	1,920	205	185	164	144	123	102	82	61	48	34	20
1,920	1,940	208	188	167	147	126	105	85	64	50	36	22
1,940	1,960	211	191	170	150	129	108	88	67	52	38	24
1,960	1,980	214	194	173	153	132	111	91	70	54	40	26
1,980	2,000	217	197	176	156	135	114	94	73	56	42	28
2,000	2,020	220	200	179	159	138	117	97	76	58	44	30
2,020	2,040	223	203	182	162	141	120	100	79	60	46	32
2,040	2,060	226	206	185	165	144	123	103	82	62	48	34
2,060	2,080	229	209	188	168	147	126	106	85	64	50	36
2,080	2,100	232	212	191	171	150	129	109	88	67	52	38
2,100	2,120	235	215	194	174	153	132	112	91	70	54	40
2,120	2,140	238	218	197	177	156	135	115	94	73	56	42
2,140	2,160	241	221	200	180	159	138	118	97	76	58	44
2,160	2,180	244	224	203	183	162	141	121	100	79	60	46
2,180	2,200	247	227	206	186	165	144	124	103	82	62	48
2,200	2,220	250	230	209	189	168	147	127	106	85	65	50
2,220	2,240	253	233	212	192	171	150	130	109	88	68	52
2,240	2,260	256	236	215	195	174	153	133	112	91	71	54
2,260	2,280	259	239	218	198	177	156	136	115	94	74	56
2,280	2,300	262	242	221	201	180	159	139	118	97	77	58
2,300	2,320	265	245	224	204	183	162	142	121	100	80	60
2,320	2,340	268	248	227	207	186	165	145	124	103	83	62
2,340	2,360	271	251	230	210	189	168	148	127	106	86	65
2,360	2,380	274	254	233	213	192	171	151	130	109	89	68
2,380	2,400	277	257	236	216	195	174	154	133	112	92	71
2,400	2,420	280	260	239	219	198	177	157	136	115	95	74
2,420	2,440	283	263	242	222	201	180	160	139	118	98	77
2,440	2,460	286	266	245	225	204	183	163	142	121	101	80
2,460	2,480	289	269	248	228	207	186	166	145	124	104	83
2,480	2,500	292	272	251	231	210	189	169	148	127	107	86
2,500	2,520	295	275	254	234	213	192	172	151	130	110	89
2,520	2,540	298	278	257	237	216	195	175	154	133	113	92
2,540	2,560	301	281	260	240	219	198	178	157	136	116	95
2,560	2,580	304	284	263	243	222	201	181	160	139	119	98
2,580	2,600	307	287	266	246	225	204	184	163	142	122	101
2,600	2,620	310	290	269	249	228	207	187	166	145	125	104
2,620	2,640	313	293	272	252	231	210	190	169	148	128	107
2,640	2,660	316	296	275	255	234	213	193	172	151	131	110
2,660	2,680	319	299	278	258	237	216	196	175	154	134	113
2,680	2,700	322	302	281	261	240	219	199	178	157	137	116
2,700	2,720	325	305	284	264	243	222	202	181	160	140	119
2,720	2,740	328	308	287	267	246	225	205	184	163	143	122

\$2,740 and over

Use Table 3(b) for a **MARRIED** person on page 36. Also see the instructions on page 34.

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$220	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
220	230	0	0	0	0	0	0	0	0	0	0	0
230	240	1	0	0	0	0	0	0	0	0	0	0
240	250	2	0	0	0	0	0	0	0	0	0	0
250	260	3	0	0	0	0	0	0	0	0	0	0
260	270	4	0	0	0	0	0	0	0	0	0	0
270	280	5	0	0	0	0	0	0	0	0	0	0
280	290	6	0	0	0	0	0	0	0	0	0	0
290	300	7	0	0	0	0	0	0	0	0	0	0
300	320	9	0	0	0	0	0	0	0	0	0	0
320	340	11	0	0	0	0	0	0	0	0	0	0
340	360	13	0	0	0	0	0	0	0	0	0	0
360	380	15	0	0	0	0	0	0	0	0	0	0
380	400	17	0	0	0	0	0	0	0	0	0	0
400	420	19	0	0	0	0	0	0	0	0	0	0
420	440	21	0	0	0	0	0	0	0	0	0	0
440	460	23	0	0	0	0	0	0	0	0	0	0
460	480	25	0	0	0	0	0	0	0	0	0	0
480	500	27	0	0	0	0	0	0	0	0	0	0
500	520	29	1	0	0	0	0	0	0	0	0	0
520	540	31	3	0	0	0	0	0	0	0	0	0
540	560	33	5	0	0	0	0	0	0	0	0	0
560	580	35	7	0	0	0	0	0	0	0	0	0
580	600	37	9	0	0	0	0	0	0	0	0	0
600	640	40	12	0	0	0	0	0	0	0	0	0
640	680	44	16	0	0	0	0	0	0	0	0	0
680	720	48	20	0	0	0	0	0	0	0	0	0
720	760	52	24	0	0	0	0	0	0	0	0	0
760	800	56	28	1	0	0	0	0	0	0	0	0
800	840	60	32	5	0	0	0	0	0	0	0	0
840	880	65	36	9	0	0	0	0	0	0	0	0
880	920	71	40	13	0	0	0	0	0	0	0	0
920	960	77	44	17	0	0	0	0	0	0	0	0
960	1,000	83	48	21	0	0	0	0	0	0	0	0
1,000	1,040	89	52	25	0	0	0	0	0	0	0	0
1,040	1,080	95	56	29	1	0	0	0	0	0	0	0
1,080	1,120	101	60	33	5	0	0	0	0	0	0	0
1,120	1,160	107	66	37	9	0	0	0	0	0	0	0
1,160	1,200	113	72	41	13	0	0	0	0	0	0	0
1,200	1,240	119	78	45	17	0	0	0	0	0	0	0
1,240	1,280	125	84	49	21	0	0	0	0	0	0	0
1,280	1,320	131	90	53	25	0	0	0	0	0	0	0
1,320	1,360	137	96	57	29	2	0	0	0	0	0	0
1,360	1,400	143	102	61	33	6	0	0	0	0	0	0
1,400	1,440	149	108	67	37	10	0	0	0	0	0	0
1,440	1,480	155	114	73	41	14	0	0	0	0	0	0
1,480	1,520	161	120	79	45	18	0	0	0	0	0	0
1,520	1,560	167	126	85	49	22	0	0	0	0	0	0
1,560	1,600	173	132	91	53	26	0	0	0	0	0	0
1,600	1,640	179	138	97	57	30	2	0	0	0	0	0
1,640	1,680	185	144	103	62	34	6	0	0	0	0	0
1,680	1,720	191	150	109	68	38	10	0	0	0	0	0
1,720	1,760	197	156	115	74	42	14	0	0	0	0	0
1,760	1,800	203	162	121	80	46	18	0	0	0	0	0
1,800	1,840	209	168	127	86	50	22	0	0	0	0	0
1,840	1,880	215	174	133	92	54	26	0	0	0	0	0
1,880	1,920	221	180	139	98	58	30	3	0	0	0	0
1,920	1,960	227	186	145	104	62	34	7	0	0	0	0
1,960	2,000	233	192	151	110	68	38	11	0	0	0	0
2,000	2,040	239	198	157	116	74	42	15	0	0	0	0
2,040	2,080	245	204	163	122	80	46	19	0	0	0	0
2,080	2,120	251	210	169	128	86	50	23	0	0	0	0
2,120	2,160	257	216	175	134	92	54	27	0	0	0	0
2,160	2,200	263	222	181	140	98	58	31	3	0	0	0
2,200	2,240	269	228	187	146	104	63	35	7	0	0	0
2,240	2,280	275	234	193	152	110	69	39	11	0	0	0
2,280	2,320	281	240	199	158	116	75	43	15	0	0	0
2,320	2,360	287	246	205	164	122	81	47	19	0	0	0
2,360	2,400	293	252	211	170	128	87	51	23	0	0	0
2,400	2,440	299	258	217	176	134	93	55	27	0	0	0

SINGLE Persons—MONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$2,440	\$2,480	\$305	\$264	\$223	\$182	\$140	\$99	\$59	\$31	\$4	\$0	\$0
2,480	2,520	311	270	229	188	146	105	64	35	8	0	0
2,520	2,560	317	276	235	194	152	111	70	39	12	0	0
2,560	2,600	323	282	241	200	158	117	76	43	16	0	0
2,600	2,640	329	288	247	206	164	123	82	47	20	0	0
2,640	2,680	335	294	253	212	170	129	88	51	24	0	0
2,680	2,720	343	300	259	218	176	135	94	55	28	0	0
2,720	2,760	353	306	265	224	182	141	100	59	32	4	0
2,760	2,800	363	312	271	230	188	147	106	65	36	8	0
2,800	2,840	373	318	277	236	194	153	112	71	40	12	0
2,840	2,880	383	324	283	242	200	159	118	77	44	16	0
2,880	2,920	393	330	289	248	206	165	124	83	48	20	0
2,920	2,960	403	336	295	254	212	171	130	89	52	24	0
2,960	3,000	413	344	301	260	218	177	136	95	56	28	1
3,000	3,040	423	354	307	266	224	183	142	101	60	32	5
3,040	3,080	433	364	313	272	230	189	148	107	65	36	9
3,080	3,120	443	374	319	278	236	195	154	113	71	40	13
3,120	3,160	453	384	325	284	242	201	160	119	77	44	17
3,160	3,200	463	394	331	290	248	207	166	125	83	48	21
3,200	3,240	473	404	337	296	254	213	172	131	89	52	25
3,240	3,280	483	414	345	302	260	219	178	137	95	56	29
3,280	3,320	493	424	355	308	266	225	184	143	101	60	33
3,320	3,360	503	434	365	314	272	231	190	149	107	66	37
3,360	3,400	513	444	375	320	278	237	196	155	113	72	41
3,400	3,440	523	454	385	326	284	243	202	161	119	78	45
3,440	3,480	533	464	395	332	290	249	208	167	125	84	49
3,480	3,520	543	474	405	338	296	255	214	173	131	90	53
3,520	3,560	553	484	415	346	302	261	220	179	137	96	57
3,560	3,600	563	494	425	356	308	267	226	185	143	102	61
3,600	3,640	573	504	435	366	314	273	232	191	149	108	67
3,640	3,680	583	514	445	376	320	279	238	197	155	114	73
3,680	3,720	593	524	455	386	326	285	244	203	161	120	79
3,720	3,760	603	534	465	396	332	291	250	209	167	126	85
3,760	3,800	613	544	475	406	338	297	256	215	173	132	91
3,800	3,840	623	554	485	416	348	303	262	221	179	138	97
3,840	3,880	633	564	495	426	358	309	268	227	185	144	103
3,880	3,920	643	574	505	436	368	315	274	233	191	150	109
3,920	3,960	653	584	515	446	378	321	280	239	197	156	115
3,960	4,000	663	594	525	456	388	327	286	245	203	162	121
4,000	4,040	673	604	535	466	398	333	292	251	209	168	127
4,040	4,080	683	614	545	476	408	339	298	257	215	174	133
4,080	4,120	693	624	555	486	418	349	304	263	221	180	139
4,120	4,160	703	634	565	496	428	359	310	269	227	186	145
4,160	4,200	713	644	575	506	438	369	316	275	233	192	151
4,200	4,240	723	654	585	516	448	379	322	281	239	198	157
4,240	4,280	733	664	595	526	458	389	328	287	245	204	163
4,280	4,320	743	674	605	536	468	399	334	293	251	210	169
4,320	4,360	753	684	615	546	478	409	340	299	257	216	175
4,360	4,400	763	694	625	556	488	419	350	305	263	222	181
4,400	4,440	773	704	635	566	498	429	360	311	269	228	187
4,440	4,480	783	714	645	576	508	439	370	317	275	234	193
4,480	4,520	793	724	655	586	518	449	380	323	281	240	199
4,520	4,560	803	734	665	596	528	459	390	329	287	246	205
4,560	4,600	813	744	675	606	538	469	400	335	293	252	211
4,600	4,640	823	754	685	616	548	479	410	341	299	258	217
4,640	4,680	833	764	695	626	558	489	420	351	305	264	223
4,680	4,720	843	774	705	636	568	499	430	361	311	270	229
4,720	4,760	853	784	715	646	578	509	440	371	317	276	235
4,760	4,800	863	794	725	656	588	519	450	381	323	282	241
4,800	4,840	873	804	735	666	598	529	460	391	329	288	247
4,840	4,880	883	814	745	676	608	539	470	401	335	294	253
4,880	4,920	893	824	755	686	618	549	480	411	343	300	259
4,920	4,960	903	834	765	696	628	559	490	421	353	306	265
4,960	5,000	913	844	775	706	638	569	500	431	363	312	271
5,000	5,040	923	854	785	716	648	579	510	441	373	318	277
5,040	5,080	933	864	795	726	658	589	520	451	383	324	283

\$5,080 and over

Use Table 4(a) for a **SINGLE person** on page 36. Also see the instructions on page 34.

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$540	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
540	560	0	0	0	0	0	0	0	0	0	0	0
560	580	0	0	0	0	0	0	0	0	0	0	0
580	600	0	0	0	0	0	0	0	0	0	0	0
600	640	0	0	0	0	0	0	0	0	0	0	0
640	680	0	0	0	0	0	0	0	0	0	0	0
680	720	3	0	0	0	0	0	0	0	0	0	0
720	760	7	0	0	0	0	0	0	0	0	0	0
760	800	11	0	0	0	0	0	0	0	0	0	0
800	840	15	0	0	0	0	0	0	0	0	0	0
840	880	19	0	0	0	0	0	0	0	0	0	0
880	920	23	0	0	0	0	0	0	0	0	0	0
920	960	27	0	0	0	0	0	0	0	0	0	0
960	1,000	31	4	0	0	0	0	0	0	0	0	0
1,000	1,040	35	8	0	0	0	0	0	0	0	0	0
1,040	1,080	39	12	0	0	0	0	0	0	0	0	0
1,080	1,120	43	16	0	0	0	0	0	0	0	0	0
1,120	1,160	47	20	0	0	0	0	0	0	0	0	0
1,160	1,200	51	24	0	0	0	0	0	0	0	0	0
1,200	1,240	55	28	0	0	0	0	0	0	0	0	0
1,240	1,280	59	32	4	0	0	0	0	0	0	0	0
1,280	1,320	63	36	8	0	0	0	0	0	0	0	0
1,320	1,360	67	40	12	0	0	0	0	0	0	0	0
1,360	1,400	71	44	16	0	0	0	0	0	0	0	0
1,400	1,440	75	48	20	0	0	0	0	0	0	0	0
1,440	1,480	79	52	24	0	0	0	0	0	0	0	0
1,480	1,520	83	56	28	1	0	0	0	0	0	0	0
1,520	1,560	87	60	32	5	0	0	0	0	0	0	0
1,560	1,600	91	64	36	9	0	0	0	0	0	0	0
1,600	1,640	95	68	40	13	0	0	0	0	0	0	0
1,640	1,680	99	72	44	17	0	0	0	0	0	0	0
1,680	1,720	103	76	48	21	0	0	0	0	0	0	0
1,720	1,760	107	80	52	25	0	0	0	0	0	0	0
1,760	1,800	111	84	56	29	1	0	0	0	0	0	0
1,800	1,840	115	88	60	33	5	0	0	0	0	0	0
1,840	1,880	119	92	64	37	9	0	0	0	0	0	0
1,880	1,920	123	96	68	41	13	0	0	0	0	0	0
1,920	1,960	129	100	72	45	17	0	0	0	0	0	0
1,960	2,000	135	104	76	49	21	0	0	0	0	0	0
2,000	2,040	141	108	80	53	25	0	0	0	0	0	0
2,040	2,080	147	112	84	57	29	2	0	0	0	0	0
2,080	2,120	153	116	88	61	33	6	0	0	0	0	0
2,120	2,160	159	120	92	65	37	10	0	0	0	0	0
2,160	2,200	165	124	96	69	41	14	0	0	0	0	0
2,200	2,240	171	130	100	73	45	18	0	0	0	0	0
2,240	2,280	177	136	104	77	49	22	0	0	0	0	0
2,280	2,320	183	142	108	81	53	26	0	0	0	0	0
2,320	2,360	189	148	112	85	57	30	2	0	0	0	0
2,360	2,400	195	154	116	89	61	34	6	0	0	0	0
2,400	2,440	201	160	120	93	65	38	10	0	0	0	0
2,440	2,480	207	166	124	97	69	42	14	0	0	0	0
2,480	2,520	213	172	130	101	73	46	18	0	0	0	0
2,520	2,560	219	178	136	105	77	50	22	0	0	0	0
2,560	2,600	225	184	142	109	81	54	26	0	0	0	0
2,600	2,640	231	190	148	113	85	58	30	3	0	0	0
2,640	2,680	237	196	154	117	89	62	34	7	0	0	0
2,680	2,720	243	202	160	121	93	66	38	11	0	0	0
2,720	2,760	249	208	166	125	97	70	42	15	0	0	0
2,760	2,800	255	214	172	131	101	74	46	19	0	0	0
2,800	2,840	261	220	178	137	105	78	50	23	0	0	0
2,840	2,880	267	226	184	143	109	82	54	27	0	0	0
2,880	2,920	273	232	190	149	113	86	58	31	3	0	0
2,920	2,960	279	238	196	155	117	90	62	35	7	0	0
2,960	3,000	285	244	202	161	121	94	66	39	11	0	0
3,000	3,040	291	250	208	167	126	98	70	43	15	0	0
3,040	3,080	297	256	214	173	132	102	74	47	19	0	0
3,080	3,120	303	262	220	179	138	106	78	51	23	0	0
3,120	3,160	309	268	226	185	144	110	82	55	27	0	0
3,160	3,200	315	274	232	191	150	114	86	59	31	4	0
3,200	3,240	321	280	238	197	156	118	90	63	35	8	0

MARRIED Persons—MONTHLY Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$3,240	\$3,280	\$327	\$286	\$244	\$203	\$162	\$122	\$94	\$67	\$39	\$12	\$0
3,280	3,320	333	292	250	209	168	127	98	71	43	16	0
3,320	3,360	339	298	256	215	174	133	102	75	47	20	0
3,360	3,400	345	304	262	221	180	139	106	79	51	24	0
3,400	3,440	351	310	268	227	186	145	110	83	55	28	0
3,440	3,480	357	316	274	233	192	151	114	87	59	32	4
3,480	3,520	363	322	280	239	198	157	118	91	63	36	8
3,520	3,560	369	328	286	245	204	163	122	95	67	40	12
3,560	3,600	375	334	292	251	210	169	127	99	71	44	16
3,600	3,640	381	340	298	257	216	175	133	103	75	48	20
3,640	3,680	387	346	304	263	222	181	139	107	79	52	24
3,680	3,720	393	352	310	269	228	187	145	111	83	56	28
3,720	3,760	399	358	316	275	234	193	151	115	87	60	32
3,760	3,800	405	364	322	281	240	199	157	119	91	64	36
3,800	3,840	411	370	328	287	246	205	163	123	95	68	40
3,840	3,880	417	376	334	293	252	211	169	128	99	72	44
3,880	3,920	423	382	340	299	258	217	175	134	103	76	48
3,920	3,960	429	388	346	305	264	223	181	140	107	80	52
3,960	4,000	435	394	352	311	270	229	187	146	111	84	56
4,000	4,040	441	400	358	317	276	235	193	152	115	88	60
4,040	4,080	447	406	364	323	282	241	199	158	119	92	64
4,080	4,120	453	412	370	329	288	247	205	164	123	96	68
4,120	4,160	459	418	376	335	294	253	211	170	129	100	72
4,160	4,200	465	424	382	341	300	259	217	176	135	104	76
4,200	4,240	471	430	388	347	306	265	223	182	141	108	80
4,240	4,280	477	436	394	353	312	271	229	188	147	112	84
4,280	4,320	483	442	400	359	318	277	235	194	153	116	88
4,320	4,360	489	448	406	365	324	283	241	200	159	120	92
4,360	4,400	495	454	412	371	330	289	247	206	165	124	96
4,400	4,440	501	460	418	377	336	295	253	212	171	130	100
4,440	4,480	507	466	424	383	342	301	259	218	177	136	104
4,480	4,520	513	472	430	389	348	307	265	224	183	142	108
4,520	4,560	519	478	436	395	354	313	271	230	189	148	112
4,560	4,600	525	484	442	401	360	319	277	236	195	154	116
4,600	4,640	531	490	448	407	366	325	283	242	201	160	120
4,640	4,680	537	496	454	413	372	331	289	248	207	166	124
4,680	4,720	543	502	460	419	378	337	295	254	213	172	130
4,720	4,760	549	508	466	425	384	343	301	260	219	178	136
4,760	4,800	555	514	472	431	390	349	307	266	225	184	142
4,800	4,840	561	520	478	437	396	355	313	272	231	190	148
4,840	4,880	567	526	484	443	402	361	319	278	237	196	154
4,880	4,920	573	532	490	449	408	367	325	284	243	202	160
4,920	4,960	579	538	496	455	414	373	331	290	249	208	166
4,960	5,000	585	544	502	461	420	379	337	296	255	214	172
5,000	5,040	591	550	508	467	426	385	343	302	261	220	178
5,040	5,080	597	556	514	473	432	391	349	308	267	226	184
5,080	5,120	603	562	520	479	438	397	355	314	273	232	190
5,120	5,160	609	568	526	485	444	403	361	320	279	238	196
5,160	5,200	615	574	532	491	450	409	367	326	285	244	202
5,200	5,240	621	580	538	497	456	415	373	332	291	250	208
5,240	5,280	627	586	544	503	462	421	379	338	297	256	214
5,280	5,320	633	592	550	509	468	427	385	344	303	262	220
5,320	5,360	639	598	556	515	474	433	391	350	309	268	226
5,360	5,400	645	604	562	521	480	439	397	356	315	274	232
5,400	5,440	651	610	568	527	486	445	403	362	321	280	238
5,440	5,480	657	616	574	533	492	451	409	368	327	286	244
5,480	5,520	663	622	580	539	498	457	415	374	333	292	250
5,520	5,560	669	628	586	545	504	463	421	380	339	298	256
5,560	5,600	675	634	592	551	510	469	427	386	345	304	262
5,600	5,640	681	640	598	557	516	475	433	392	351	310	268
5,640	5,680	687	646	604	563	522	481	439	398	357	316	274
5,680	5,720	696	652	610	569	528	487	445	404	363	322	280
5,720	5,760	706	658	616	575	534	493	451	410	369	328	286
5,760	5,800	716	664	622	581	540	499	457	416	375	334	292
5,800	5,840	726	670	628	587	546	505	463	422	381	340	298
5,840	5,880	736	676	634	593	552	511	469	428	387	346	304

\$5,880 and over Use Table 4(b) for a **MARRIED** person on page 36. Also see the instructions on page 34.

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	15	0	0	0	0	0	0	0	0	0	0	0
15	18	1	0	0	0	0	0	0	0	0	0	0
18	21	1	0	0	0	0	0	0	0	0	0	0
21	24	1	0	0	0	0	0	0	0	0	0	0
24	27	2	0	0	0	0	0	0	0	0	0	0
27	30	2	1	0	0	0	0	0	0	0	0	0
30	33	2	1	0	0	0	0	0	0	0	0	0
33	36	2	1	0	0	0	0	0	0	0	0	0
36	39	3	1	0	0	0	0	0	0	0	0	0
39	42	3	2	0	0	0	0	0	0	0	0	0
42	45	4	2	1	0	0	0	0	0	0	0	0
45	48	4	2	1	0	0	0	0	0	0	0	0
48	51	4	3	1	0	0	0	0	0	0	0	0
51	54	5	3	2	0	0	0	0	0	0	0	0
54	57	5	3	2	1	0	0	0	0	0	0	0
57	60	6	4	2	1	0	0	0	0	0	0	0
60	63	6	4	3	1	0	0	0	0	0	0	0
63	66	7	5	3	2	0	0	0	0	0	0	0
66	69	7	5	3	2	1	0	0	0	0	0	0
69	72	8	6	4	2	1	0	0	0	0	0	0
72	75	8	6	4	3	1	0	0	0	0	0	0
75	78	9	7	5	3	2	0	0	0	0	0	0
78	81	9	7	5	3	2	1	0	0	0	0	0
81	84	9	8	6	4	2	1	0	0	0	0	0
84	87	10	8	6	4	2	1	0	0	0	0	0
87	90	10	8	7	5	3	1	0	0	0	0	0
90	93	11	9	7	5	3	2	1	0	0	0	0
93	96	11	9	7	6	4	2	1	0	0	0	0
96	99	12	10	8	6	4	2	1	0	0	0	0
99	102	12	10	8	6	5	3	1	0	0	0	0
102	105	13	11	9	7	5	3	2	0	0	0	0
105	108	13	11	9	7	5	4	2	1	0	0	0
108	111	13	12	10	8	6	4	2	1	0	0	0
111	114	14	12	10	8	6	4	3	1	0	0	0
114	117	14	12	11	9	7	5	3	2	0	0	0
117	120	15	13	11	9	7	5	3	2	1	0	0
120	123	15	13	11	10	8	6	4	2	1	0	0
123	126	16	14	12	10	8	6	4	3	1	0	0
126	129	17	14	12	10	9	7	5	3	2	0	0
129	132	17	15	13	11	9	7	5	3	2	1	0
132	135	18	15	13	11	9	8	6	4	2	1	0
135	138	19	16	14	12	10	8	6	4	2	1	0
138	141	20	16	14	12	10	8	7	5	3	2	0
141	144	20	17	15	13	11	9	7	5	3	2	1
144	147	21	18	15	13	11	9	7	6	4	2	1
147	150	22	19	16	14	12	10	8	6	4	2	1
150	153	23	19	16	14	12	10	8	6	5	3	1
153	156	23	20	17	15	13	11	9	7	5	3	2
156	159	24	21	18	15	13	11	9	7	5	4	2
159	162	25	22	18	15	14	12	10	8	6	4	2
162	165	26	22	19	16	14	12	10	8	6	4	3
165	168	26	23	20	17	14	13	11	9	7	5	3
168	171	27	24	21	18	15	13	11	9	7	5	3
171	174	28	25	21	18	15	13	12	10	8	6	4
174	177	29	25	22	19	16	14	12	10	8	6	4
177	180	29	26	23	20	17	14	12	11	9	7	5
180	183	30	27	24	21	17	15	13	11	9	7	5
183	186	31	28	24	21	18	15	13	11	10	8	6
186	189	32	28	25	22	19	16	14	12	10	8	6
189	192	32	29	26	23	20	16	14	12	10	8	7
192	195	33	30	27	24	20	17	15	13	11	9	7
195	198	34	31	27	24	21	18	15	13	11	9	7
198	201	35	31	28	25	22	19	16	14	12	10	8
201	204	35	32	29	26	23	19	16	14	12	10	8
204	207	36	33	30	27	23	20	17	15	13	11	9
207	210	37	34	30	27	24	21	18	15	13	11	9
210	213	38	34	31	28	25	22	18	15	14	12	10
213	216	38	35	32	29	26	22	19	16	14	12	10
216	219	39	36	33	30	26	23	20	17	14	13	11

SINGLE Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$219	\$222	\$40	\$37	\$33	\$30	\$27	\$24	\$21	\$18	\$15	\$13	\$11
222	225	41	37	34	31	28	25	21	18	15	13	12
225	228	41	38	35	32	29	25	22	19	16	14	12
228	231	42	39	36	33	29	26	23	20	17	14	12
231	234	43	40	36	33	30	27	24	21	17	15	13
234	237	44	40	37	34	31	28	24	21	18	15	13
237	240	44	41	38	35	32	28	25	22	19	16	14
240	243	45	42	39	36	32	29	26	23	20	16	14
243	246	46	43	39	36	33	30	27	24	20	17	15
246	249	47	43	40	37	34	31	27	24	21	18	15
249	252	47	44	41	38	35	31	28	25	22	19	16
252	255	48	45	42	39	35	32	29	26	23	19	16
255	258	49	46	42	39	36	33	30	27	23	20	17
258	261	50	46	43	40	37	34	30	27	24	21	18
261	264	50	47	44	41	38	34	31	28	25	22	19
264	267	51	48	45	42	38	35	32	29	26	22	19
267	270	52	49	45	42	39	36	33	30	26	23	20
270	273	53	49	46	43	40	37	33	30	27	24	21
273	276	53	50	47	44	41	37	34	31	28	25	22
276	279	54	51	48	45	41	38	35	32	29	25	22
279	282	55	52	48	45	42	39	36	33	29	26	23
282	285	56	52	49	46	43	40	36	33	30	27	24
285	288	56	53	50	47	44	40	37	34	31	28	25
288	291	57	54	51	48	44	41	38	35	32	28	25
291	294	58	55	51	48	45	42	39	36	32	29	26
294	297	59	55	52	49	46	43	39	36	33	30	27
297	300	60	56	53	50	47	43	40	37	34	31	28
300	303	61	57	54	51	47	44	41	38	35	31	28
303	306	61	58	54	51	48	45	42	39	35	32	29
306	309	62	59	55	52	49	46	42	39	36	33	30
309	312	63	60	56	53	50	46	43	40	37	34	31
312	315	64	60	57	54	50	47	44	41	38	34	31
315	318	65	61	58	54	51	48	45	42	38	35	32
318	321	66	62	59	55	52	49	45	42	39	36	33
321	324	67	63	59	56	53	49	46	43	40	37	34
324	327	67	64	60	57	53	50	47	44	41	37	34
327	330	68	65	61	58	54	51	48	45	41	38	35
330	333	69	65	62	58	55	52	48	45	42	39	36
333	336	70	66	63	59	56	52	49	46	43	40	37
336	339	71	67	64	60	56	53	50	47	44	40	37
339	341	71	68	64	61	57	54	51	47	44	41	38
341	343	72	68	65	61	58	54	51	48	45	42	38
343	345	73	69	65	62	58	55	52	48	45	42	39
345	347	73	70	66	62	59	55	52	49	46	43	39
347	349	74	70	67	63	59	56	53	49	46	43	40
349	351	74	71	67	64	60	56	53	50	47	44	40
351	353	75	71	68	64	61	57	54	50	47	44	41
353	355	75	72	68	65	61	58	54	51	48	45	41
355	357	76	72	69	65	62	58	55	51	48	45	42
357	359	76	73	69	66	62	59	55	52	49	46	42
359	361	77	73	70	66	63	59	56	52	49	46	43
361	363	78	74	70	67	63	60	56	53	50	47	43
363	365	78	75	71	67	64	60	57	53	50	47	44
365	367	79	75	72	68	64	61	57	54	51	48	44
367	369	79	76	72	69	65	61	58	54	51	48	45
369	371	80	76	73	69	66	62	58	55	52	49	45
371	373	80	77	73	70	66	63	59	55	52	49	46
373	375	81	77	74	70	67	63	60	56	53	50	46
375	377	81	78	74	71	67	64	60	57	53	50	47
377	379	82	78	75	71	68	64	61	57	54	51	47
379	381	83	79	75	72	68	65	61	58	54	51	48
381	383	83	80	76	73	69	65	62	58	55	52	48
383	385	84	80	77	73	70	66	62	59	55	52	49
385	387	84	81	77	74	70	67	63	59	56	53	49
387	389	85	81	78	74	71	67	64	60	56	53	50
389	391	85	82	78	75	71	68	64	61	57	54	50

\$391 and over

Use Table 8(a) for a **SINGLE person** on page 37. Also see the instructions on page 34.

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$0	\$27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	30	0	0	0	0	0	0	0	0	0	0	0
30	33	0	0	0	0	0	0	0	0	0	0	0
33	36	0	0	0	0	0	0	0	0	0	0	0
36	39	1	0	0	0	0	0	0	0	0	0	0
39	42	1	0	0	0	0	0	0	0	0	0	0
42	45	1	0	0	0	0	0	0	0	0	0	0
45	48	2	0	0	0	0	0	0	0	0	0	0
48	51	2	1	0	0	0	0	0	0	0	0	0
51	54	2	1	0	0	0	0	0	0	0	0	0
54	57	2	1	0	0	0	0	0	0	0	0	0
57	60	3	2	0	0	0	0	0	0	0	0	0
60	63	3	2	1	0	0	0	0	0	0	0	0
63	66	3	2	1	0	0	0	0	0	0	0	0
66	69	4	2	1	0	0	0	0	0	0	0	0
69	72	4	3	1	0	0	0	0	0	0	0	0
72	75	4	3	2	0	0	0	0	0	0	0	0
75	78	5	3	2	1	0	0	0	0	0	0	0
78	81	5	4	2	1	0	0	0	0	0	0	0
81	84	5	4	3	1	0	0	0	0	0	0	0
84	87	5	4	3	2	0	0	0	0	0	0	0
87	90	6	5	3	2	1	0	0	0	0	0	0
90	93	6	5	4	2	1	0	0	0	0	0	0
93	96	7	5	4	3	1	0	0	0	0	0	0
96	99	7	5	4	3	2	0	0	0	0	0	0
99	102	8	6	4	3	2	1	0	0	0	0	0
102	105	8	6	5	3	2	1	0	0	0	0	0
105	108	8	7	5	4	2	1	0	0	0	0	0
108	111	9	7	5	4	3	2	0	0	0	0	0
111	114	9	7	6	4	3	2	1	0	0	0	0
114	117	10	8	6	5	3	2	1	0	0	0	0
117	120	10	8	6	5	4	2	1	0	0	0	0
120	123	11	9	7	5	4	3	1	0	0	0	0
123	126	11	9	7	6	4	3	2	0	0	0	0
126	129	12	10	8	6	5	3	2	1	0	0	0
129	132	12	10	8	6	5	4	2	1	0	0	0
132	135	13	11	9	7	5	4	3	1	0	0	0
135	138	13	11	9	7	5	4	3	2	0	0	0
138	141	13	12	10	8	6	5	3	2	1	0	0
141	144	14	12	10	8	6	5	4	2	1	0	0
144	147	14	12	11	9	7	5	4	3	1	0	0
147	150	15	13	11	9	7	5	4	3	2	0	0
150	153	15	13	11	10	8	6	4	3	2	1	0
153	156	16	14	12	10	8	6	5	3	2	1	0
156	159	16	14	12	10	9	7	5	4	3	1	0
159	162	17	15	13	11	9	7	5	4	3	2	0
162	165	17	15	13	11	9	8	6	4	3	2	1
165	168	17	16	14	12	10	8	6	5	3	2	1
168	171	18	16	14	12	10	8	7	5	4	2	1
171	174	18	16	15	13	11	9	7	5	4	3	1
174	177	19	17	15	13	11	9	7	6	4	3	2
177	180	19	17	15	14	12	10	8	6	5	3	2
180	183	20	18	16	14	12	10	8	6	5	4	2
183	186	20	18	16	14	13	11	9	7	5	4	3
186	189	21	19	17	15	13	11	9	7	6	4	3
189	192	21	19	17	15	13	12	10	8	6	5	3
192	195	22	20	18	16	14	12	10	8	6	5	4
195	198	22	20	18	16	14	12	11	9	7	5	4
198	201	22	21	19	17	15	13	11	9	7	5	4
201	204	23	21	19	17	15	13	11	10	8	6	4
204	207	23	21	20	18	16	14	12	10	8	6	5
207	210	24	22	20	18	16	14	12	10	9	7	5
210	213	24	22	20	19	17	15	13	11	9	7	5
213	216	25	23	21	19	17	15	13	11	9	8	6
216	219	25	23	21	19	18	16	14	12	10	8	6
219	222	26	24	22	20	18	16	14	12	10	8	7
222	225	26	24	22	20	18	17	15	13	11	9	7
225	228	26	25	23	21	19	17	15	13	11	9	7
228	231	27	25	23	21	19	17	16	14	12	10	8
231	234	27	25	24	22	20	18	16	14	12	10	8

MARRIED Persons—DAILY OR MISCELLANEOUS Payroll Period
(For Wages Paid in 2006)

If the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
The amount of income tax to be withheld is—												
\$234	\$237	\$28	\$26	\$24	\$22	\$20	\$18	\$16	\$15	\$13	\$11	\$9
237	240	28	26	24	23	21	19	17	15	13	11	9
240	243	29	27	25	23	21	19	17	15	14	12	10
243	246	29	27	25	23	22	20	18	16	14	12	10
246	249	30	28	26	24	22	20	18	16	14	13	11
249	252	30	28	26	24	22	21	19	17	15	13	11
252	255	31	29	27	25	23	21	19	17	15	13	12
255	258	31	29	27	25	23	21	20	18	16	14	12
258	261	31	30	28	26	24	22	20	18	16	14	12
261	264	32	30	28	26	24	22	20	19	17	15	13
264	267	33	30	29	27	25	23	21	19	17	15	13
267	270	33	31	29	27	25	23	21	19	18	16	14
270	273	34	31	29	28	26	24	22	20	18	16	14
273	276	35	32	30	28	26	24	22	20	18	17	15
276	279	36	33	30	28	27	25	23	21	19	17	15
279	282	36	33	31	29	27	25	23	21	19	17	16
282	285	37	34	31	29	27	26	24	22	20	18	16
285	288	38	35	32	30	28	26	24	22	20	18	16
288	291	39	36	32	30	28	26	25	23	21	19	17
291	294	39	36	33	31	29	27	25	23	21	19	17
294	297	40	37	34	31	29	27	25	24	22	20	18
297	300	41	38	35	32	30	28	26	24	22	20	18
300	303	42	39	35	32	30	28	26	24	23	21	19
303	306	42	39	36	33	31	29	27	25	23	21	19
306	309	43	40	37	34	31	29	27	25	23	22	20
309	312	44	41	38	34	31	30	28	26	24	22	20
312	315	45	42	38	35	32	30	28	26	24	22	21
315	318	45	42	39	36	33	30	29	27	25	23	21
318	321	46	43	40	37	34	31	29	27	25	23	21
321	324	47	44	41	37	34	31	29	28	26	24	22
324	327	48	45	41	38	35	32	30	28	26	24	22
327	330	48	45	42	39	36	33	30	28	27	25	23
330	333	49	46	43	40	37	33	31	29	27	25	23
333	336	50	47	44	40	37	34	31	29	27	26	24
336	339	51	48	44	41	38	35	32	30	28	26	24
339	341	51	48	45	42	39	35	32	30	28	26	24
341	343	52	49	46	42	39	36	33	30	29	27	25
343	345	52	49	46	43	40	36	33	31	29	27	25
345	347	53	50	47	43	40	37	34	31	29	27	25
347	349	53	50	47	44	41	37	34	31	29	28	26
349	351	54	51	48	44	41	38	35	32	30	28	26
351	353	54	51	48	45	42	38	35	32	30	28	26
353	355	55	52	49	45	42	39	36	33	30	28	27
355	357	55	52	49	46	43	39	36	33	31	29	27
357	359	56	53	50	46	43	40	37	34	31	29	27
359	361	56	53	50	47	44	40	37	34	31	29	27
361	363	57	54	51	47	44	41	38	35	32	30	28
363	365	57	54	51	48	45	41	38	35	32	30	28
365	367	58	55	52	48	45	42	39	36	32	30	28
367	369	58	55	52	49	46	42	39	36	33	31	29
369	371	59	56	53	49	46	43	40	37	33	31	29
371	373	59	56	53	50	47	43	40	37	34	31	29
373	375	60	57	54	50	47	44	41	38	34	31	30
375	377	60	57	54	51	48	44	41	38	35	32	30
377	379	61	58	55	51	48	45	42	39	35	32	30
379	381	61	58	55	52	49	45	42	39	36	33	30
381	383	62	59	56	52	49	46	43	40	36	33	31
383	385	62	59	56	53	50	46	43	40	37	34	31
385	387	63	60	57	53	50	47	44	41	37	34	31
387	389	63	60	57	54	51	47	44	41	38	35	32
389	391	64	61	58	54	51	48	45	42	38	35	32
391	393	64	61	58	55	52	48	45	42	39	36	33
393	395	65	62	59	55	52	49	46	43	39	36	33
395	397	65	62	59	56	53	49	46	43	40	37	34
397	399	66	63	60	56	53	50	47	44	40	37	34
399	401	66	63	60	57	54	50	47	44	41	38	35

\$401 and over

Use Table 8(b) for a **MARRIED person** on page 37. Also see the instructions on page 34.

Tables for Percentage Method of Advance EIC Payments
(For Wages Paid in 2006)

Table 1. WEEKLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$155	20.40% of wages	\$0	\$155	20.40% of wages	\$0	\$77	20.40% of wages
\$155	\$284	\$32	\$155	\$323	\$32	\$77	\$161	\$16
\$284	. . . . .	\$32 less 9.588% of wages in excess of \$284	\$323	. . . . .	\$32 less 9.588% of wages in excess of \$323	\$161	. . . . .	\$16 less 9.588% of wages in excess of \$161

Table 2. BIWEEKLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$310	20.40% of wages	\$0	\$310	20.40% of wages	\$0	\$155	20.40% of wages
\$310	\$569	\$63	\$310	\$646	\$63	\$155	\$323	\$32
\$569	. . . . .	\$63 less 9.588% of wages in excess of \$569	\$646	. . . . .	\$63 less 9.588% of wages in excess of \$646	\$323	. . . . .	\$32 less 9.588% of wages in excess of \$323

Table 3. SEMIMONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$336	20.40% of wages	\$0	\$336	20.40% of wages	\$0	\$168	20.40% of wages
\$336	\$617	\$69	\$336	\$700	\$69	\$168	\$350	\$34
\$617	. . . . .	\$69 less 9.588% of wages in excess of \$617	\$700	. . . . .	\$69 less 9.588% of wages in excess of \$700	\$350	. . . . .	\$34 less 9.588% of wages in excess of \$350

Table 4. MONTHLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$673	20.40% of wages	\$0	\$673	20.40% of wages	\$0	\$336	20.40% of wages
\$673	\$1,234	\$137	\$673	\$1,400	\$137	\$336	\$700	\$69
\$1,234	. . . . .	\$137 less 9.588% of wages in excess of \$1,234	\$1,400	. . . . .	\$137 less 9.588% of wages in excess of \$1,400	\$700	. . . . .	\$69 less 9.588% of wages in excess of \$700

Tables for Percentage Method of Advance EIC Payments (Continued)
(For Wages Paid in 2006)

Table 5. QUARTERLY Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$2,020	20.40% of wages	\$0	\$2,020	20.40% of wages	\$0	\$1,010	20.40% of wages
\$2,020	\$3,702	\$412	\$2,020	\$4,202	\$412	\$1,010	\$2,101	\$206
\$3,702		\$412 less 9.588% of wages in excess of \$3,702	\$4,202		\$412 less 9.588% of wages in excess of \$4,202	\$2,101		\$206 less 9.588% of wages in excess of \$2,101

Table 6. SEMIANNUAL Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$4,040	20.40% of wages	\$0	\$4,040	20.40% of wages	\$0	\$2,020	20.40% of wages
\$4,040	\$7,405	\$824	\$4,040	\$8,405	\$824	\$2,020	\$4,202	\$412
\$7,405		\$824 less 9.588% of wages in excess of \$7,405	\$8,405		\$824 less 9.588% of wages in excess of \$8,405	\$4,202		\$412 less 9.588% of wages in excess of \$4,202

Table 7. ANNUAL Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:	If the amount of wages (before deducting withholding allowances) is:		The amount of payment to be made is:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$8,080	20.40% of wages	\$0	\$8,080	20.40% of wages	\$0	\$4,040	20.40% of wages
\$8,080	\$14,810	\$1,648	\$8,080	\$16,810	\$1,648	\$4,040	\$8,405	\$824
\$14,810		\$1,648 less 9.588% of wages in excess of \$14,810	\$16,810		\$1,648 less 9.588% of wages in excess of \$16,810	\$8,405		\$824 less 9.588% of wages in excess of \$8,405

Table 8. DAILY or MISCELLANEOUS Payroll Period

(a) SINGLE or HEAD OF HOUSEHOLD			(b) MARRIED Without Spouse Filing Certificate			(c) MARRIED With Both Spouses Filing Certificate		
If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:	If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:	If the wages divided by the number of days in such period (before deducting withholding allowances) are:		The amount of payment to be made is the following amount multiplied by the number of days in such period:
Over—	But not over—		Over—	But not over—		Over—	But not over—	
\$0	\$31	20.40% of wages	\$0	\$31	20.40% of wages	\$0	\$15	20.40% of wages
\$31	\$56	\$6	\$31	\$64	\$6	\$15	\$32	\$3
\$56		\$6 less 9.588% of wages in excess of \$56	\$64		\$6 less 9.588% of wages in excess of \$64	\$32		\$3 less 9.588% of wages in excess of \$32

Tables for Wage Bracket Method of Advance EIC Payments (For Wages Paid in 2006)

WEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$350	\$360	\$24	\$480	\$490	\$12
5	10	1	70	75	14	135	140	28	360	370	24	490	500	11
10	15	2	75	80	15	140	145	29	370	380	23	500	510	10
15	20	3	80	85	16	145	150	30	380	390	22	510	520	9
20	25	4	85	90	17	150	155	31	390	400	21	520	530	8
25	30	5	90	95	18	155	280	32	400	410	20	530	540	7
30	35	6	95	100	19	280	290	31	410	420	19	540	550	6
35	40	7	100	105	20	290	300	30	420	430	18	550	560	5
40	45	8	105	110	21	300	310	29	430	440	17	560	570	4
45	50	9	110	115	22	310	320	28	440	450	16	570	580	3
50	55	10	115	120	23	320	330	27	450	460	15	580	590	2
55	60	11	120	125	24	330	340	26	460	470	14	590	600	1
60	65	12	125	130	26	340	350	25	470	480	13	600	610	1
												610	- - -	0

MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$390	\$400	\$24	\$520	\$530	\$12
5	10	1	70	75	14	135	140	28	400	410	23	530	540	11
10	15	2	75	80	15	140	145	29	410	420	22	540	550	10
15	20	3	80	85	16	145	150	30	420	430	21	550	560	9
20	25	4	85	90	17	150	155	31	430	440	21	560	570	8
25	30	5	90	95	18	155	320	32	440	450	20	570	580	7
30	35	6	95	100	19	320	330	31	450	460	19	580	590	6
35	40	7	100	105	20	330	340	30	460	470	18	590	600	5
40	45	8	105	110	21	340	350	29	470	480	17	600	610	4
45	50	9	110	115	22	350	360	28	480	490	16	610	620	3
50	55	10	115	120	23	360	370	27	490	500	15	620	630	2
55	60	11	120	125	24	370	380	26	500	510	14	630	640	1
60	65	12	125	130	26	380	390	25	510	520	13	640	- - -	0

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$35	\$40	\$7	\$70	\$75	\$14	\$210	\$220	\$10	\$280	\$290	\$4
5	10	1	40	45	8	75	160	15	220	230	9	290	300	3
10	15	2	45	50	9	160	170	15	230	240	8	300	310	2
15	20	3	50	55	10	170	180	14	240	250	7	310	320	1
20	25	4	55	60	11	180	190	13	250	260	6	320	- - -	0
25	30	5	60	65	12	190	200	12	260	270	5			
30	35	6	65	70	13	200	210	11	270	280	4			

BIWEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$55	\$60	\$11	\$110	\$115	\$22	\$165	\$170	\$34	\$220	\$225	\$45
5	10	1	60	65	12	115	120	23	170	175	35	225	230	46
10	15	2	65	70	13	120	125	24	175	180	36	230	235	47
15	20	3	70	75	14	125	130	26	180	185	37	235	240	48
20	25	4	75	80	15	130	135	27	185	190	38	240	245	49
25	30	5	80	85	16	135	140	28	190	195	39	245	250	50
30	35	6	85	90	17	140	145	29	195	200	40	250	255	51
35	40	7	90	95	18	145	150	30	200	205	41	255	260	52
40	45	8	95	100	19	150	155	31	205	210	42	260	265	53
45	50	9	100	105	20	155	160	32	210	215	43	265	270	54
50	55	10	105	110	21	160	165	33	215	220	44	270	275	55

(continued on next page)

BIWEEKLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$275	\$280	\$56	\$635	\$645	\$56	\$785	\$795	\$42	\$935	\$945	\$27	\$1,085	\$1,095	\$13
280	285	57	645	655	55	795	805	41	945	955	26	1,095	1,105	12
285	290	58	655	665	54	805	815	40	955	965	25	1,105	1,115	11
290	295	59	665	675	53	815	825	39	965	975	25	1,115	1,125	10
295	300	60	675	685	52	825	835	38	975	985	24	1,125	1,135	9
300	305	61	685	695	51	835	845	37	985	995	23	1,135	1,145	8
305	310	62	695	705	50	845	855	36	995	1,005	22	1,145	1,155	7
310	565	63	705	715	49	855	865	35	1,005	1,015	21	1,155	1,165	6
565	575	63	715	725	48	865	875	34	1,015	1,025	20	1,165	1,175	5
575	585	62	725	735	48	875	885	33	1,025	1,035	19	1,175	1,185	4
585	595	61	735	745	47	885	895	32	1,035	1,045	18	1,185	1,195	3
595	605	60	745	755	46	895	905	31	1,045	1,055	17	1,195	1,205	2
605	615	59	755	765	45	905	915	30	1,055	1,065	16	1,205	1,215	2
615	625	58	765	775	44	915	925	29	1,065	1,075	15	1,215	1,225	1
625	635	57	775	785	43	925	935	28	1,075	1,085	14	1,225	- - -	0

MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$130	\$135	\$27	\$260	\$265	\$53	\$795	\$805	\$48	\$1,055	\$1,065	\$23
5	10	1	135	140	28	265	270	54	805	815	47	1,065	1,075	22
10	15	2	140	145	29	270	275	55	815	825	46	1,075	1,085	21
15	20	3	145	150	30	275	280	56	825	835	45	1,085	1,095	20
20	25	4	150	155	31	280	285	57	835	845	44	1,095	1,105	19
25	30	5	155	160	32	285	290	58	845	855	43	1,105	1,115	18
30	35	6	160	165	33	290	295	59	855	865	42	1,115	1,125	18
35	40	7	165	170	34	295	300	60	865	875	41	1,125	1,135	17
40	45	8	170	175	35	300	305	61	875	885	41	1,135	1,145	16
45	50	9	175	180	36	305	310	62	885	895	40	1,145	1,155	15
50	55	10	180	185	37	310	645	63	895	905	39	1,155	1,165	14
55	60	11	185	190	38	645	655	63	905	915	38	1,165	1,175	13
60	65	12	190	195	39	655	665	62	915	925	37	1,175	1,185	12
65	70	13	195	200	40	665	675	61	925	935	36	1,185	1,195	11
70	75	14	200	205	41	675	685	60	935	945	35	1,195	1,205	10
75	80	15	205	210	42	685	695	59	945	955	34	1,205	1,215	9
80	85	16	210	215	43	695	705	58	955	965	33	1,215	1,225	8
85	90	17	215	220	44	705	715	57	965	975	32	1,225	1,235	7
90	95	18	220	225	45	715	725	56	975	985	31	1,235	1,245	6
95	100	19	225	230	46	725	735	55	985	995	30	1,245	1,255	5
100	105	20	230	235	47	735	745	54	995	1,005	29	1,255	1,265	4
105	110	21	235	240	48	745	755	53	1,005	1,015	28	1,265	1,275	3
110	115	22	240	245	49	755	765	52	1,015	1,025	27	1,275	1,285	2
115	120	23	245	250	50	765	775	51	1,025	1,035	26	1,285	1,295	1
120	125	24	250	255	51	775	785	50	1,035	1,045	25	1,295	- - -	0
125	130	26	255	260	52	785	795	49	1,045	1,055	24			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$70	\$13	\$130	\$135	\$27	\$390	\$400	\$24	\$520	\$530	\$12
5	10	1	70	75	14	135	140	28	400	410	23	530	540	11
10	15	2	75	80	15	140	145	29	410	420	22	540	550	10
15	20	3	80	85	16	145	150	30	420	430	21	550	560	9
20	25	4	85	90	17	150	155	31	430	440	21	560	570	8
25	30	5	90	95	18	155	320	32	440	450	20	570	580	7
30	35	6	95	100	19	320	330	31	450	460	19	580	590	6
35	40	7	100	105	20	330	340	30	460	470	18	590	600	5
40	45	8	105	110	21	340	350	29	470	480	17	600	610	4
45	50	9	110	115	22	350	360	28	480	490	16	610	620	3
50	55	10	115	120	23	360	370	27	490	500	15	620	630	2
55	60	11	120	125	24	370	380	26	500	510	14	630	640	1
60	65	12	125	130	26	380	390	25	510	520	13	640	- - -	0

SEMIMONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$280	\$285	\$57	\$775	\$785	\$53	\$1,055	\$1,065	\$26
5	10	1	145	150	30	285	290	58	785	795	52	1,065	1,075	25
10	15	2	150	155	31	290	295	59	795	805	51	1,075	1,085	24
15	20	3	155	160	32	295	300	60	805	815	50	1,085	1,095	23
20	25	4	160	165	33	300	305	61	815	825	49	1,095	1,105	22
25	30	5	165	170	34	305	310	62	825	835	48	1,105	1,115	21
30	35	6	170	175	35	310	315	63	835	845	47	1,115	1,125	20
35	40	7	175	180	36	315	320	64	845	855	46	1,125	1,135	19
40	45	8	180	185	37	320	325	65	855	865	45	1,135	1,145	18
45	50	9	185	190	38	325	330	66	865	875	44	1,145	1,155	17
50	55	10	190	195	39	330	335	67	875	885	43	1,155	1,165	16
55	60	11	195	200	40	335	615	68	885	895	42	1,165	1,175	15
60	65	12	200	205	41	615	625	68	895	905	41	1,175	1,185	14
65	70	13	205	210	42	625	635	67	905	915	40	1,185	1,195	13
70	75	14	210	215	43	635	645	66	915	925	39	1,195	1,205	12
75	80	15	215	220	44	645	655	65	925	935	38	1,205	1,215	11
80	85	16	220	225	45	655	665	64	935	945	37	1,215	1,225	10
85	90	17	225	230	46	665	675	63	945	955	36	1,225	1,235	9
90	95	18	230	235	47	675	685	62	955	965	35	1,235	1,245	8
95	100	19	235	240	48	685	695	61	965	975	34	1,245	1,255	8
100	105	20	240	245	49	695	705	60	975	985	33	1,255	1,265	7
105	110	21	245	250	50	705	715	59	985	995	32	1,265	1,275	6
110	115	22	250	255	51	715	725	58	995	1,005	31	1,275	1,285	5
115	120	23	255	260	52	725	735	57	1,005	1,015	31	1,285	1,295	4
120	125	24	260	265	53	735	745	56	1,015	1,025	30	1,295	1,305	3
125	130	26	265	270	54	745	755	55	1,025	1,035	29	1,305	1,315	2
130	135	27	270	275	55	755	765	54	1,035	1,045	28	1,315	1,325	1
135	140	28	275	280	56	765	775	54	1,045	1,055	27	1,325	- - -	0

MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$280	\$285	\$57	\$860	\$870	\$52	\$1,140	\$1,150	\$26
5	10	1	145	150	30	285	290	58	870	880	51	1,150	1,160	25
10	15	2	150	155	31	290	295	59	880	890	50	1,160	1,170	24
15	20	3	155	160	32	295	300	60	890	900	50	1,170	1,180	23
20	25	4	160	165	33	300	305	61	900	910	49	1,180	1,190	22
25	30	5	165	170	34	305	310	62	910	920	48	1,190	1,200	21
30	35	6	170	175	35	310	315	63	920	930	47	1,200	1,210	20
35	40	7	175	180	36	315	320	64	930	940	46	1,210	1,220	19
40	45	8	180	185	37	320	325	65	940	950	45	1,220	1,230	18
45	50	9	185	190	38	325	330	66	950	960	44	1,230	1,240	17
50	55	10	190	195	39	330	335	67	960	970	43	1,240	1,250	16
55	60	11	195	200	40	335	700	68	970	980	42	1,250	1,260	15
60	65	12	200	205	41	700	710	68	980	990	41	1,260	1,270	14
65	70	13	205	210	42	710	720	67	990	1,000	40	1,270	1,280	13
70	75	14	210	215	43	720	730	66	1,000	1,010	39	1,280	1,290	12
75	80	15	215	220	44	730	740	65	1,010	1,020	38	1,290	1,300	11
80	85	16	220	225	45	740	750	64	1,020	1,030	37	1,300	1,310	10
85	90	17	225	230	46	750	760	63	1,030	1,040	36	1,310	1,320	9
90	95	18	230	235	47	760	770	62	1,040	1,050	35	1,320	1,330	8
95	100	19	235	240	48	770	780	61	1,050	1,060	34	1,330	1,340	7
100	105	20	240	245	49	780	790	60	1,060	1,070	33	1,340	1,350	6
105	110	21	245	250	50	790	800	59	1,070	1,080	32	1,350	1,360	5
110	115	22	250	255	51	800	810	58	1,080	1,090	31	1,360	1,370	4
115	120	23	255	260	52	810	820	57	1,090	1,100	30	1,370	1,380	4
120	125	24	260	265	53	820	830	56	1,100	1,110	29	1,380	1,390	3
125	130	26	265	270	54	830	840	55	1,110	1,120	28	1,390	1,400	2
130	135	27	270	275	55	840	850	54	1,120	1,130	27	1,400	1,410	1
135	140	28	275	280	56	850	860	53	1,130	1,140	27	1,410	- - -	0

SEMIMONTHLY Payroll Period

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$70	\$75	\$14	\$140	\$145	\$29	\$430	\$440	\$26	\$570	\$580	\$12
5	10	1	75	80	15	145	150	30	440	450	25	580	590	11
10	15	2	80	85	16	150	155	31	450	460	24	590	600	10
15	20	3	85	90	17	155	160	32	460	470	23	600	610	9
20	25	4	90	95	18	160	165	33	470	480	22	610	620	8
25	30	5	95	100	19	165	350	34	480	490	21	620	630	8
30	35	6	100	105	20	350	360	33	490	500	20	630	640	7
35	40	7	105	110	21	360	370	32	500	510	19	640	650	6
40	45	8	110	115	22	370	380	31	510	520	18	650	660	5
45	50	9	115	120	23	380	390	31	520	530	17	660	670	4
50	55	10	120	125	24	390	400	30	530	540	16	670	680	3
55	60	11	125	130	26	400	410	29	540	550	15	680	690	2
60	65	12	130	135	27	410	420	28	550	560	14	690	700	1
65	70	13	135	140	28	420	430	27	560	570	13	700	- - -	0

MONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$220	\$225	\$45	\$440	\$445	\$90	\$660	\$665	\$135	\$1,640	\$1,650	\$97
5	10	1	225	230	46	445	450	91	665	670	136	1,650	1,660	97
10	15	2	230	235	47	450	455	92	670	1,230	137	1,660	1,670	96
15	20	3	235	240	48	455	460	93	1,230	1,240	137	1,670	1,680	95
20	25	4	240	245	49	460	465	94	1,240	1,250	136	1,680	1,690	94
25	30	5	245	250	50	465	470	95	1,250	1,260	135	1,690	1,700	93
30	35	6	250	255	51	470	475	96	1,260	1,270	134	1,700	1,710	92
35	40	7	255	260	52	475	480	97	1,270	1,280	133	1,710	1,720	91
40	45	8	260	265	53	480	485	98	1,280	1,290	132	1,720	1,730	90
45	50	9	265	270	54	485	490	99	1,290	1,300	131	1,730	1,740	89
50	55	10	270	275	55	490	495	100	1,300	1,310	130	1,740	1,750	88
55	60	11	275	280	56	495	500	101	1,310	1,320	129	1,750	1,760	87
60	65	12	280	285	57	500	505	102	1,320	1,330	128	1,760	1,770	86
65	70	13	285	290	58	505	510	103	1,330	1,340	127	1,770	1,780	85
70	75	14	290	295	59	510	515	104	1,340	1,350	126	1,780	1,790	84
75	80	15	295	300	60	515	520	105	1,350	1,360	125	1,790	1,800	83
80	85	16	300	305	61	520	525	106	1,360	1,370	124	1,800	1,810	82
85	90	17	305	310	62	525	530	107	1,370	1,380	123	1,810	1,820	81
90	95	18	310	315	63	530	535	108	1,380	1,390	122	1,820	1,830	80
95	100	19	315	320	64	535	540	109	1,390	1,400	121	1,830	1,840	79
100	105	20	320	325	65	540	545	110	1,400	1,410	120	1,840	1,850	78
105	110	21	325	330	66	545	550	111	1,410	1,420	120	1,850	1,860	77
110	115	22	330	335	67	550	555	112	1,420	1,430	119	1,860	1,870	76
115	120	23	335	340	68	555	560	113	1,430	1,440	118	1,870	1,880	75
120	125	24	340	345	69	560	565	114	1,440	1,450	117	1,880	1,890	74
125	130	26	345	350	70	565	570	115	1,450	1,460	116	1,890	1,900	73
130	135	27	350	355	71	570	575	116	1,460	1,470	115	1,900	1,910	73
135	140	28	355	360	72	575	580	117	1,470	1,480	114	1,910	1,920	72
140	145	29	360	365	73	580	585	118	1,480	1,490	113	1,920	1,930	71
145	150	30	365	370	74	585	590	119	1,490	1,500	112	1,930	1,940	70
150	155	31	370	375	75	590	595	120	1,500	1,510	111	1,940	1,950	69
155	160	32	375	380	77	595	600	121	1,510	1,520	110	1,950	1,960	68
160	165	33	380	385	78	600	605	122	1,520	1,530	109	1,960	1,970	67
165	170	34	385	390	79	605	610	123	1,530	1,540	108	1,970	1,980	66
170	175	35	390	395	80	610	615	124	1,540	1,550	107	1,980	1,990	65
175	180	36	395	400	81	615	620	125	1,550	1,560	106	1,990	2,000	64
180	185	37	400	405	82	620	625	126	1,560	1,570	105	2,000	2,010	63
185	190	38	405	410	83	625	630	128	1,570	1,580	104	2,010	2,020	62
190	195	39	410	415	84	630	635	129	1,580	1,590	103	2,020	2,030	61
195	200	40	415	420	85	635	640	130	1,590	1,600	102	2,030	2,040	60
200	205	41	420	425	86	640	645	131	1,600	1,610	101	2,040	2,050	59
205	210	42	425	430	87	645	650	132	1,610	1,620	100	2,050	2,060	58
210	215	43	430	435	88	650	655	133	1,620	1,630	99	2,060	2,070	57
215	220	44	435	440	89	655	660	134	1,630	1,640	98	(Continued on next page)		

MONTHLY Payroll Period

SINGLE or HEAD OF HOUSEHOLD

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$2,070	\$2,080	\$56	\$2,190	\$2,200	\$45	\$2,310	\$2,320	\$33	\$2,430	\$2,440	\$22	\$2,550	\$2,560	\$10
2,080	2,090	55	2,200	2,210	44	2,320	2,330	32	2,440	2,450	21	2,560	2,570	9
2,090	2,100	54	2,210	2,220	43	2,330	2,340	31	2,450	2,460	20	2,570	2,580	8
2,100	2,110	53	2,220	2,230	42	2,340	2,350	30	2,460	2,470	19	2,580	2,590	7
2,110	2,120	52	2,230	2,240	41	2,350	2,360	29	2,470	2,480	18	2,590	2,600	6
2,120	2,130	51	2,240	2,250	40	2,360	2,370	28	2,480	2,490	17	2,600	2,610	5
2,130	2,140	50	2,250	2,260	39	2,370	2,380	27	2,490	2,500	16	2,610	2,620	4
2,140	2,150	50	2,260	2,270	38	2,380	2,390	27	2,500	2,510	15	2,620	2,630	4
2,150	2,160	49	2,270	2,280	37	2,390	2,400	26	2,510	2,520	14	2,630	2,640	3
2,160	2,170	48	2,280	2,290	36	2,400	2,410	25	2,520	2,530	13	2,640	2,650	2
2,170	2,180	47	2,290	2,300	35	2,410	2,420	24	2,530	2,540	12	2,650	2,660	1
2,180	2,190	46	2,300	2,310	34	2,420	2,430	23	2,540	2,550	11	2,660	- - -	0

MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$230	\$235	\$47	\$460	\$465	\$94	\$1,430	\$1,440	\$134	\$1,890	\$1,900	\$89
5	10	1	235	240	48	465	470	95	1,440	1,450	133	1,900	1,910	89
10	15	2	240	245	49	470	475	96	1,450	1,460	132	1,910	1,920	88
15	20	3	245	250	50	475	480	97	1,460	1,470	131	1,920	1,930	87
20	25	4	250	255	51	480	485	98	1,470	1,480	130	1,930	1,940	86
25	30	5	255	260	52	485	490	99	1,480	1,490	129	1,940	1,950	85
30	35	6	260	265	53	490	495	100	1,490	1,500	128	1,950	1,960	84
35	40	7	265	270	54	495	500	101	1,500	1,510	127	1,960	1,970	83
40	45	8	270	275	55	500	505	102	1,510	1,520	126	1,970	1,980	82
45	50	9	275	280	56	505	510	103	1,520	1,530	125	1,980	1,990	81
50	55	10	280	285	57	510	515	104	1,530	1,540	124	1,990	2,000	80
55	60	11	285	290	58	515	520	105	1,540	1,550	123	2,000	2,010	79
60	65	12	290	295	59	520	525	106	1,550	1,560	122	2,010	2,020	78
65	70	13	295	300	60	525	530	107	1,560	1,570	121	2,020	2,030	77
70	75	14	300	305	61	530	535	108	1,570	1,580	120	2,030	2,040	76
75	80	15	305	310	62	535	540	109	1,580	1,590	119	2,040	2,050	75
80	85	16	310	315	63	540	545	110	1,590	1,600	118	2,050	2,060	74
85	90	17	315	320	64	545	550	111	1,600	1,610	117	2,060	2,070	73
90	95	18	320	325	65	550	555	112	1,610	1,620	116	2,070	2,080	72
95	100	19	325	330	66	555	560	113	1,620	1,630	115	2,080	2,090	71
100	105	20	330	335	67	560	565	114	1,630	1,640	114	2,090	2,100	70
105	110	21	335	340	68	565	570	115	1,640	1,650	113	2,100	2,110	69
110	115	22	340	345	69	570	575	116	1,650	1,660	112	2,110	2,120	68
115	120	23	345	350	70	575	580	117	1,660	1,670	112	2,120	2,130	67
120	125	24	350	355	71	580	585	118	1,670	1,680	111	2,130	2,140	66
125	130	26	355	360	72	585	590	119	1,680	1,690	110	2,140	2,150	66
130	135	27	360	365	73	590	595	120	1,690	1,700	109	2,150	2,160	65
135	140	28	365	370	74	595	600	121	1,700	1,710	108	2,160	2,170	64
140	145	29	370	375	75	600	605	122	1,710	1,720	107	2,170	2,180	63
145	150	30	375	380	77	605	610	123	1,720	1,730	106	2,180	2,190	62
150	155	31	380	385	78	610	615	124	1,730	1,740	105	2,190	2,200	61
155	160	32	385	390	79	615	620	125	1,740	1,750	104	2,200	2,210	60
160	165	33	390	395	80	620	625	126	1,750	1,760	103	2,210	2,220	59
165	170	34	395	400	81	625	630	128	1,760	1,770	102	2,220	2,230	58
170	175	35	400	405	82	630	635	129	1,770	1,780	101	2,230	2,240	57
175	180	36	405	410	83	635	640	130	1,780	1,790	100	2,240	2,250	56
180	185	37	410	415	84	640	645	131	1,790	1,800	99	2,250	2,260	55
185	190	38	415	420	85	645	650	132	1,800	1,810	98	2,260	2,270	54
190	195	39	420	425	86	650	655	133	1,810	1,820	97	2,270	2,280	53
195	200	40	425	430	87	655	660	134	1,820	1,830	96	2,280	2,290	52
200	205	41	430	435	88	660	665	135	1,830	1,840	95	2,290	2,300	51
205	210	42	435	440	89	665	670	136	1,840	1,850	94	2,300	2,310	50
210	215	43	440	445	90	670	1,400	137	1,850	1,860	93	2,310	2,320	49
215	220	44	445	450	91	1,400	1,410	136	1,860	1,870	92	2,320	2,330	48
220	225	45	450	455	92	1,410	1,420	135	1,870	1,880	91	2,330	2,340	47
225	230	46	455	460	93	1,420	1,430	135	1,880	1,890	90	(Continued on next page)		

MONTHLY Payroll Period

MARRIED Without Spouse Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$2,340	\$2,350	\$46	\$2,440	\$2,450	\$37	\$2,540	\$2,550	\$27	\$2,640	\$2,650	\$18	\$2,740	\$2,750	\$8
2,350	2,360	45	2,450	2,460	36	2,550	2,560	26	2,650	2,660	17	2,750	2,760	7
2,360	2,370	44	2,460	2,470	35	2,560	2,570	25	2,660	2,670	16	2,760	2,770	6
2,370	2,380	43	2,470	2,480	34	2,570	2,580	24	2,670	2,680	15	2,770	2,780	5
2,380	2,390	42	2,480	2,490	33	2,580	2,590	23	2,680	2,690	14	2,780	2,790	4
2,390	2,400	42	2,490	2,500	32	2,590	2,600	22	2,690	2,700	13	2,790	2,800	3
2,400	2,410	41	2,500	2,510	31	2,600	2,610	21	2,700	2,710	12	2,800	2,810	2
2,410	2,420	40	2,510	2,520	30	2,610	2,620	20	2,710	2,720	11	2,810	2,820	1
2,420	2,430	39	2,520	2,530	29	2,620	2,630	19	2,720	2,730	10	2,820	- - -	0
2,430	2,440	38	2,530	2,540	28	2,630	2,640	19	2,730	2,740	9			

MARRIED With Both Spouses Filing Certificate

Wages—			Wages—			Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$140	\$145	\$29	\$280	\$285	\$57	\$860	\$870	\$52	\$1,140	\$1,150	\$26
5	10	1	145	150	30	285	290	58	870	880	51	1,150	1,160	25
10	15	2	150	155	31	290	295	59	880	890	50	1,160	1,170	24
15	20	3	155	160	32	295	300	60	890	900	50	1,170	1,180	23
20	25	4	160	165	33	300	305	61	900	910	49	1,180	1,190	22
25	30	5	165	170	34	305	310	62	910	920	48	1,190	1,200	21
30	35	6	170	175	35	310	315	63	920	930	47	1,200	1,210	20
35	40	7	175	180	36	315	320	64	930	940	46	1,210	1,220	19
40	45	8	180	185	37	320	325	65	940	950	45	1,220	1,230	18
45	50	9	185	190	38	325	330	66	950	960	44	1,230	1,240	17
50	55	10	190	195	39	330	335	67	960	970	43	1,240	1,250	16
55	60	11	195	200	40	335	700	68	970	980	42	1,250	1,260	15
60	65	12	200	205	41	700	710	68	980	990	41	1,260	1,270	14
65	70	13	205	210	42	710	720	67	990	1,000	40	1,270	1,280	13
70	75	14	210	215	43	720	730	66	1,000	1,010	39	1,280	1,290	12
75	80	15	215	220	44	730	740	65	1,010	1,020	38	1,290	1,300	11
80	85	16	220	225	45	740	750	64	1,020	1,030	37	1,300	1,310	10
85	90	17	225	230	46	750	760	63	1,030	1,040	36	1,310	1,320	9
90	95	18	230	235	47	760	770	62	1,040	1,050	35	1,320	1,330	8
95	100	19	235	240	48	770	780	61	1,050	1,060	34	1,330	1,340	7
100	105	20	240	245	49	780	790	60	1,060	1,070	33	1,340	1,350	6
105	110	21	245	250	50	790	800	59	1,070	1,080	32	1,350	1,360	5
110	115	22	250	255	51	800	810	58	1,080	1,090	31	1,360	1,370	4
115	120	23	255	260	52	810	820	57	1,090	1,100	30	1,370	1,380	4
120	125	24	260	265	53	820	830	56	1,100	1,110	29	1,380	1,390	3
125	130	26	265	270	54	830	840	55	1,110	1,120	28	1,390	1,400	2
130	135	27	270	275	55	840	850	54	1,120	1,130	27	1,400	1,410	1
135	140	28	275	280	56	850	860	53	1,130	1,140	27	1,410	- - -	0

DAILY Payroll Period

SINGLE or HEAD OF HOUSEHOLD			MARRIED Without Spouse Filing Certificate			MARRIED With Both Spouses Filing Certificate		
Wages—			Wages—			Wages—		
At least	But less than	Payment to be made	At least	But less than	Payment to be made	At least	But less than	Payment to be made
\$0	\$5	\$0	\$65	\$75	\$5	\$0	\$5	\$0
5	10	1	75	85	4	5	10	1
10	15	2	85	95	3	10	15	2
15	20	3	95	105	2	15	30	3
20	25	4	105	115	1			
25	30	5	115	- - -	0			
30	55	6						
55	65	6						

Index



To help us develop a more useful index, please let us know if you have ideas for index entries. See “Comments and Suggestions” in the “Introduction” for the ways you can reach us.

A	
Accuracy of deposits rule	21
Adjustments, Form 941	25
Advance earned income credit	17
Advance EIC tables, instructions	35
Aliens, nonresident	16
Allocated tips	12
Archer MSAs	11

B	
Backup withholding	5
Business expenses, employee	9

C	
Calendar	2
Change of address	5
Claim for refund	27
Correcting errors, (prior period adjustments) Form 941	26

D	
Delivery services, private	5
Depositing taxes:	
Coupons	22
Penalties	22
Rules	19

E	
Election worker	7
Electronic	21
Electronic deposit requirement	21
Electronic Federal Tax Payment System (EFTPS)	21
Electronic filing	3, 24
Eligibility for employment	4
Employees defined	7
Employer identification number (EIN)	7
Employer responsibilities	4

F	
Family employees	8
Final return, Form 941	24
Form 941 e-file	24
Form 941TeleFile	1
Fringe benefits	11
FTD coupons	22
FUTA tax	28

G
Government employers 6

H	
Health insurance plans	10
Health Savings Accounts (HSAs)	11
Hiring new employees	4
Household employees	24

Income tax withholding	14, 34
Information returns	4
International social security agreements	17

L	
Long-term care insurance	10
Lookback period, Form 941	19

M	
Meals and lodging	10
Medical care	11
Medical savings accounts	11
Medicare tax	16
Mileage	10
Monthly deposit schedule	19
Moving expenses	10

N	
New employees	4
Noncash wages	10
Nonemployee compensation	5

P	
Part-time workers	17
Payroll period	13
Penalties	22, 24
Private delivery services	5

R

Reconciling Forms W-2 and 941	25
Recordkeeping	5
Reimbursements	9, 10
Repayments, wages	28

S	
Seasonal employers	24
Semiweekly deposit schedule	20
Sick pay	12
Social security and Medicare taxes	16
Social security number, employee	8

Standard mileage rate	10
Statutory employees	7
Statutory nonemployees	7
Successor employer	16, 29
Supplemental wages	12

T	
Telephone help	5
Tip Rate Determination Agreement	12
Tip Rate Determination and Education Program	12
Tip Reporting Alternative Commitment	12
Tips	12, 13
Trust fund recovery penalty	23

U	
Unemployment tax, federal	28
Unresolved tax issues (Contacting Your Taxpayer Advocate)	6

V	
Vacation pay	13

W	
Wage repayments	28
Wages defined	9
Wages not paid in money	10
Withholding:	
Backup	5
Certificate	14
Exemption	14
Fringe benefits	11
Income tax	14
Levies	16
Nonresident aliens	16
Pensions and annuities	4
Percentage method	34
Social security and Medicare taxes	16
Table instructions	34
Tips	13
Wage bracket method	34

Z	
Zero wage return	4

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